

# THE TIMES

How Denis Hills  
survived in  
Amin prison, p 16

## White troops among forces advancing on Angolan capital

troops, together with units  
two Western-backed Ango-  
analist movements were re-  
yesterday to be advancing  
nda, the capital, which is  
the Soviet-backed Marxist  
Reports in Luanda said the

## Luanda 'last port in MPLA hands'

burg, Nov 16.—A  
armoured column  
ked National Front  
beration of Angola  
id the Union for the  
endence of Angola  
advancing through  
Angola to Luanda,  
eld by the Soviet-  
lar Movement for  
ation of Angola  
according to reports

ported that Sa da Bandeira, 180  
miles from the border with  
South-west Africa, had been  
taken by a "mystery column"  
composed of FNLA and Unita  
troops reinforced by mercen-  
aries who "included South  
Africans".

The newspaper said the South  
African mercenaries at present  
controlled the Sa da Bandeira  
airfield. Others joined the  
column pushing northwards  
towards the command of Mr  
Daniel Chipenda, FNLA mili-  
tary head of southern Angola  
and a former member of the  
MPLA. It is known that Mr  
Chipenda was in Windhoek,  
South-west Africa, for a short  
period six months ago.

The "allied column" has at  
least 30 armoured vehicles and  
at least one helicopter gunship,  
according to the newspaper.

The Sunday Express gave a  
slightly different version today.  
It said most of the white mer-  
cenaries were members of the  
in Angola and Mozambique bo-  
rer independence.

Luanda: The port of Novo  
Redondo has fallen to white-  
led troops from the south, ac-  
cording to informed sources here.  
If confirmed, the loss of Novo-  
Redondo would mean the  
MPLA's only one important  
port left—Luanda itself.

The MPLA Government has  
ordered Reuters to suspend its  
activities here and told its two  
correspondents to leave the  
country immediately.

The order was announced to  
foreign correspondents called  
to the Government palace for a  
military press conference yes-  
terday. Dr Luis de Almeida,  
the Director of Information,  
said this was because of a  
report about an MPLA Presi-



Miss Kaloghriou, freed by her kidnappers on Saturday night, being kissed by her mother and father at Scotland Yard yesterday.

## Five men face kidnapping charge

By Clive Borrell  
Five men will be charged at  
Wood Green police station  
north London, this morning  
with kidnapping Miss Aho  
Kaloghriou, who was abducted  
initially, a £50,000 ransom. They  
are to appear at Tottenham  
Magistrates' Court tomorrow.  
Mr John Wilson, Assistant Com-  
missioner (Crime) at Scotland  
Yard, said last night.

He has been in charge of the  
investigation since the evening  
when Miss Kaloghriou was re-  
ported missing from the home  
of relatives in Outram Road,  
Green. A ransom note was  
found in the house telling  
relatives not to tell the police.  
In fact, they made contact al-  
most as soon as the girl was  
missed.

Scotland Yard last night paid  
tribute to the press, television  
and radio who, after a police  
request the day after the girl  
was missed, made no mention of  
the kidnapping until she was  
safe on Saturday night.

This operation has ended  
successfully because of the  
wholehearted co-operation of the  
press and other media. It could  
have been an entirely different  
story.

After many telephone calls  
from the kidnappers to the  
family, it was arranged that a  
package of £17,000 in used £5  
and £10 notes wrapped in a  
plastic bag should be left in a  
builder's shop near Bounds  
Green railway station.

At about the same time Miss  
Kaloghriou was driven to a  
quiet footpath near the station  
with sticking plaster over her  
eyes. When she was sure she  
was alone she removed the  
plaster and ran to the nearest  
telephone kiosk.

Within the next three hours  
three men were arrested by  
some of the team of more than  
hundred detectives who had  
been assigned to the case. Two  
other men were detained at a  
large Victorian terrace house in  
Caversham Road, Bounds Green.

Mr Ernest Bond, Deputy  
Assistant Commissioner in  
charge of crime operations at  
the Yard, said: "Forensic tests  
showed that the ransom money  
was still being made but I am  
certain the ransom money was  
the family were unable to raise  
the original demand for  
£50,000."

Squad, who led the detectives  
"on the ground", said Miss  
Kaloghriou was kept in a "cell-  
like room" on the first floor of  
a house which was also occu-  
pied by at least six other  
families. She had been well  
treated, reasonably well fed and  
unmolested.

There were times when she  
had to be left alone and then  
she was bound and gagged,  
blindfolded and threatened to  
be quiet", Mr Marshall said.

Throughout the 10 days, police  
were searching for her. Miss  
Kaloghriou was only a mile and  
a half from her relatives' home.

Miss Kaloghriou said last  
night: "I feel very good physi-  
cally and psychologically. At  
first I was very frightened then  
after a while I found I was very  
calm. They did not seem to  
think the police were involved  
and they became very friendly  
and treated me very well. They  
seemed to think that everything  
was going OK and they, too,  
became calm."

Mr Loucas Neocleous, her  
brother-in-law, said that after  
he was shown the ransom note  
"it took me five minutes to  
realise it was mine."

## Rambouillet summit near agreement on currency intervention

From David Blake  
and Charles Rargrove  
Paris, Nov 16

Leaders of the six leading  
non-communist industrial  
nations are moving tonight  
towards setting out a "declara-  
tion of principles" to govern  
the running of the world's  
economy.

At the end of the second day  
of a three-day meeting in the  
chateau of Rambouillet, just  
outside Paris, the six countries—  
taking part—France, West  
Germany, Italy, Japan, Britain  
and the United States—seem to  
have attained enough common  
ground to try to spell out guide-  
lines which they hope will help  
to restore confidence in the  
West, now suffering its most  
severe recession since the war.

According to unconfirmed  
reports, the declaration will  
deal with five main points—  
monetary affairs, trade, the  
recession, and how to come with  
it, energy, and the problems of  
the Third World.

The finance ministers, who  
have been meeting separately  
from the main meeting today,  
seem to have come close to  
breaking the deadlock on the  
world monetary system. The  
United States has always in-  
sisted on the need for flexible  
exchange rates, while France  
believes in a return to fixed  
parities.

Both countries have compro-  
mised on the issue, and there  
now seems to be agreement that  
while currencies will be allowed  
to float in the future, central  
banks will intervene more often  
to stop sudden and over-rapid  
fluctuations, of the kind which  
have disrupted currency mar-  
kets frequently in past years.

The idea seems to be that the  
banks should attempt to smooth  
fluctuations for a few weeks at  
a time, but not try to dis-  
tend any fixed rate for a currency.  
Such an agreement may well  
be implemented at the next  
meeting of the International  
Monetary Fund in Jamaica in  
January. It will mean that the  
United States Federal Reserve  
bank will have to intervene in  
currency markets in concert  
with other central banks far  
more than it has been prepared  
to do in the past.

West German officials also  
believe that more coordination  
will be needed on interest rate  
policy, both to ease the working  
of the monetary system and to  
stop the possibility of high  
interest rates in the United  
States choking off recovery  
before it gets under way fully  
next year.

Worries about the pace of  
the world's emergence from re-  
cession underlie another major  
topic. This is the question of  
trade restrictions, which are  
increasingly being considered  
by countries whose industries  
are being affected badly by  
imports, with consequent loss  
of employment.

Mr Wilson told other partici-  
pants that Britain was against  
any generalized import restric-  
tion, but reserved the right to  
take measures to help specific  
industries which risked being  
wined out during the recession.  
British officials say that this  
statement provoked no row and  
led to a "calm discussion", but  
there seems no sign that any  
other country has changed its  
opposition to such action.

However, President Ford did  
say that selective controls might  
be justified in "particularly dif-  
ficult circumstances".

Continued on page 5, col 4

## Britain's recession 'to worsen next year'

From Business News Foreign  
Editor  
Paris, Nov 16

The United Kingdom will con-  
tinue its slide deeper into recession  
next year, according to  
forecasters at the Organization  
for Economic Cooperation and  
Development.

In a series of forecasts  
1976.

Their forecast is considerably  
more pessimistic than an alterna-  
tive put forward by the  
Treasury, which predicts that  
next year should see real growth  
of 2.4 per cent.

Both sets of forecasts also  
differ—though by a lesser mar-  
gin—on the scale of the decline  
this year. OECD expects the  
drop in GNP at 2.3 per cent,  
whereas the Treasury suggests  
that it will be only 1.9 per cent.

An attempt to close the gap  
between these forecasts is likely  
to be made on Tuesday and  
Wednesday when the economic  
policy committee meets here.  
A number of countries have in-  
dicated that they find the sec-  
retariat's estimates too pessimis-  
tic, especially the United States  
which expects a 7 per cent  
growth, against an OECD pre-  
diction of 5.4 per cent.

The balance of payments  
deficit on current account is also  
expected to improve slightly.

The figures seem to confirm  
earlier reports that 1976 is ex-  
pected to be another bleak year  
for the European economy.  
OECD says unemployment in  
Britain will continue to rise till  
the end of 1976, rather than  
levelling out, as some more  
optimistic predictions will be  
decided only after this week's  
consultations.

Critics of OECD's forecasts  
say the secretariat is now over-  
compensating for its earlier  
failure to recognize the depths  
of the present recession, and is  
now underestimating the  
recovery. According to this  
view, the real danger is that  
the recovery will peter out  
some time next year, rather  
than going into 1977.

The OECD's forecasts for the  
United Kingdom are not totally  
bleak. Inflation, which is  
expected to be 21.6 per cent  
during 1975, is predicted to fall  
to 15.8 per cent next year. This  
is a long way from the Govern-  
ment's target of reducing it to  
single figures by the end of  
1976, but it should be remem-  
bered that much of the inflation  
may well occur during the early  
part of the year.

## Ryder names areas in industry for NEB action

institutions and pension funds  
at informal talks have been  
much more realistic than  
political viewpoints". He  
added that the institutions and  
pension funds had assured him  
that "we welcome you as a  
catalyst".

Describing his conception of  
the role of the NEB, he said:  
"To my mind we are in a  
way comparable to a merchant  
bank. We shall employ mer-  
chant banks when necessary.  
We are much more comparable  
to a holding company in the  
private sector, say like Thomas  
Tilling".

He went on to illustrate the  
deficiencies of British invest-  
ment strategy. "Our manufac-  
turing ability in this country  
in the world league table has  
been declining for the past 15  
years. We have to do some-  
thing to resuscitate it. NEB is  
a catalyst.

"Pension funds and institu-  
tions are largely the owners of  
our businesses. It is no fault of  
theirs with investment man-  
agers advising them when to  
buy and sell, that they have  
never geared up to have the

German banks are quite ruth-  
less if management does not  
perform."

"When I pressed questions  
about the party political drive  
of the NEB, Lord Ryder an-  
swered: 'Obviously we would  
not be in the NEB, in my  
mind politics does not come  
into it at all. Where I put my  
cross at the general election is  
solely the concern of my wife  
and myself.'

"Any company I have been  
connected with I would have  
had to work to the maximum  
advantage, irrespective of what  
party is in power. Our job is  
to work the company, and we  
shall have to work it, no matter  
what is laid down in legisla-  
tion."

"I think a lot of the political  
brouhaha will die down  
once we are established, but it  
will not die completely. In  
fact, at informal talks the insti-  
tutions have been much more  
realistic than the political  
viewpoints. They have said  
they do not like eleven  
hours any more than anybody  
else; 'We welcome you as a

analyst. If you can tell things  
are going wrong, if demonstra-  
bly you are convinced, come  
and sit with us and tell us and  
we shall be happy to put our  
voting strength behind you."

Lord Ryder commented: "I  
think we are going to get a lot  
of support from the institu-  
tions."

Questioned on the state's  
role in the private sector, he  
went on: "Whether we like it  
or not, Government has a mas-  
sive portfolio of companies  
already. Does anybody think  
the right repository for a por-  
tfolio of companies is in a  
government department, or a  
government agency run by in-  
dustrialists and people with  
great industrial experience, in-  
cluding the TUC?"

Reminded of the politically  
ill starred predecessor of the  
NEB, the Industrial Reorganiza-  
tion Corporation, disbanded  
by Mr Heath, Lord Ryder  
sprang to its defence. "IRC  
made more successes than mis-  
takes", he insisted. "By now  
they would have been of so  
much use."

Continued on page 19, col 1

## Police hold 42 after finding 400lb gelignite

From Our Correspondent  
Southampton

Police yesterday were holding  
42 people under the Prevention  
of Terrorism Act after finding  
400lb of gelignite in Southampton.

Detectives found the cache,  
after a tip-off, in a locked store,  
8ft by 4ft, under a 15-storey  
block of council flats. Among  
the 42 people who were de-  
tained in raids throughout  
south Hampshire early on  
Saturday morning was a man  
living in the block, Albion  
Towers, Golden Grove, in the  
city's St Mary's district.

Police said there was enough  
explosive to make up to 80  
bombs of the type recently used  
in London. Checks were made  
to see if the explosive was the  
same as that from two bombs  
which were defused minutes  
before they exploded in  
London.

Police brought a dog trained  
to sniff out explosives to the  
block, which houses 500 people  
and overlooks the port.

The investigation is being led  
by Det Chief Supt Cyril Hold-  
stock, the head of Hampshire  
CID, who has worked in close  
liaison with bomb squad officers  
at Scotland Yard and with  
Special Branch men after IRA  
incidents at Southampton.

An IRA cell was discovered  
in the suburb of Farnsworth,  
near by, on Christmas Eve last  
year.

Two police officers were shot  
when they went to a house there  
and later 10lb of explosives was  
discovered. Last June an Irish-  
man was held for five months  
for harbouring a man.



A reflection of good taste  
Blue Nun from SICHEL  
right through the meal

## ent tests on car umpion

ark  
pendent

or is to intro-  
fuel consump-  
cars sold in  
facturers will  
them in adver-  
literature.

approves the  
tion, the tests  
about a year.  
ied out by the  
s at their ex-  
he supervision  
of the En-

two tests: one  
option over a  
56 miles (90  
our, the other  
a driving cycle  
exhaust emis-  
sions will give  
the maximum  
fuel consump-  
tion from each

to be used in  
suit of an in-  
ement which  
y ratified in  
th. France is  
ar tests, new  
eventually be  
ut the Euro-

are sceptical of  
the figures  
produce. The  
Manufacturers  
in with these  
is some reluc-  
s on a con-  
as to the  
een "in-use"  
n and that  
official condi-  
t tests."

## Doctors facing showdown on private practice

Legislation expected to be outlined in the  
Queen's Speech on Wednesday for the  
separation of private practice from the  
National Health Service is expected to  
lead to open conflict with the medical  
profession.

The official BMA junior doctors' leaders  
are convinced that the pay package  
because no more money is available. One  
leader said that if the Government had  
to choose between the damage junior  
doctors could do and damage to its pay  
policy, "it will stick to the pay policy".

## Warning to Iceland

Mr Roy Hattersley, Minister of State,  
warned Iceland yesterday that his negotia-  
tions in Reykjavik on fishing limits would  
be broken off if there was harassment of  
British trawlers. Two British vessels fishing  
off Iceland had their lines cut on Saturday.

## Tory pledge on schools

The Tories would rally education  
authorities' opposition to any legisla-  
tion ending 11-plus examinations and en-  
forcing nationwide comprehensive schooling.  
Mr Norman St John-Stevas, Conservative  
education spokesman, said yesterday.

## Algiers snub to Spain

The tripartite Sahara deal effected in  
Madrid between Spain, Morocco and  
Mauritania, was condemned by Algeria,  
and President Boumedienne refused to see  
a Spanish envoy.

## Big rally in Lisbon

Left-wingers, in exuberant mood, filled  
one of Lisbon's main thoroughfares yes-  
terday to demonstrate against the Govern-  
ment's economic plan. A rival pro-  
Government rally was staged at Viseu, in  
the conservative north of the country.

## Mr Heath's future

Mr Heath said yesterday that he saw his  
role as to give the lead in a great national  
debate on the fundamental questions that  
confront the nation and affect people's  
lives directly. He has ruled out a post in  
the shadow Cabinet or in the European  
Commission for the present.

## Smoking theory denied

There is no proof that smoking causes  
heart disease, Dr Carl Selzer,  
National Health Service research associate at the Harvard Uni-  
versity School of Public Health, has told  
medical audiences in a two-week European  
lecture tour.

## £125m state steel loss

The British Steel Corporation today  
announces a loss of £125m for the first half  
of its current financial year. It now faces  
a deficit for the full year of more than  
£300m. The corporation says economies  
totaling £50m have been achieved with  
union cooperation but they have been in-  
sufficient to counter the production slump.

## Spain disturbed by fight for Gen Franco's life

Madrid, Nov 16.—Amid  
growing public debate about  
keeping him alive artificially  
General Franco's condition was  
stated today to be "very  
grave".

A medical bulletin said the  
General's vital functions were  
normal but his breathing was  
still supported by one of four  
machines at La Paz hospital.

The Roman Catholic news-  
paper said the public debate on  
the ethics of the efforts by  
General Franco's 32 doctors to  
keep him alive. He is 82.

A leading article, on the  
front page said: "The humani-  
tarian and popular sentiment of  
many Spaniards has caused  
them to ask whether it was  
really necessary to stretch the  
scientific possibilities of fight-  
ing death and causing new  
traumas for the chief of state."

—UPI.

Regions' new voice, page 5

## Warning to Iceland

Mr Roy Hattersley, Minister of State,  
warned Iceland yesterday that his negotia-  
tions in Reykjavik on fishing limits would  
be broken off if there was harassment of  
British trawlers. Two British vessels fishing  
off Iceland had their lines cut on Saturday.

## Tory pledge on schools

The Tories would rally education  
authorities' opposition to any legisla-  
tion ending 11-plus examinations and en-  
forcing nationwide comprehensive schooling.  
Mr Norman St John-Stevas, Conservative  
education spokesman, said yesterday.

## Algiers snub to Spain

The tripartite Sahara deal effected in  
Madrid between Spain, Morocco and  
Mauritania, was condemned by Algeria,  
and President Boumedienne refused to see  
a Spanish envoy.

## Big rally in Lisbon

Left-wingers, in exuberant mood, filled  
one of Lisbon's main thoroughfares yes-  
terday to demonstrate against the Govern-  
ment's economic plan. A rival pro-  
Government rally was staged at Viseu, in  
the conservative north of the country.

## Mr Heath's future

Mr Heath said yesterday that he saw his  
role as to give the lead in a great national  
debate on the fundamental questions that  
confront the nation and affect people's  
lives directly. He has ruled out a post in  
the shadow Cabinet or in the European  
Commission for the present.

## Smoking theory denied

There is no proof that smoking causes  
heart disease, Dr Carl Selzer,  
National Health Service research associate at the Harvard Uni-  
versity School of Public Health, has told  
medical audiences in a two-week European  
lecture tour.

## Warning to Iceland

Mr Roy Hattersley, Minister of State,  
warned Iceland yesterday that his negotia-  
tions in Reykjavik on fishing limits would  
be broken off if there was harassment of  
British trawlers. Two British vessels fishing  
off Iceland had their lines cut on Saturday.

## Tory pledge on schools

The Tories would rally education  
authorities' opposition to any legisla-  
tion ending 11-plus examinations and en-  
forcing nationwide comprehensive schooling.  
Mr Norman St John-Stevas, Conservative  
education spokesman, said yesterday.

## Algiers snub to Spain

The tripartite Sahara deal effected in  
Madrid between Spain, Morocco and  
Mauritania, was condemned by Algeria,  
and President Boumedienne refused to see  
a Spanish envoy.

## Big rally in Lisbon

Left-wingers, in exuberant mood, filled  
one of Lisbon's main thoroughfares yes-  
terday to demonstrate against the Govern-  
ment's economic plan. A rival pro-  
Government rally was staged at Viseu, in  
the conservative north of the country.

## Mr Heath's future

Mr Heath said yesterday that he saw his  
role as to give the lead in a great national  
debate on the fundamental questions that  
confront the nation and affect people's  
lives directly. He has ruled out a post in  
the shadow Cabinet or in the European  
Commission for the present.

## Smoking theory denied

There is no proof that smoking causes  
heart disease, Dr Carl Selzer,  
National Health Service research associate at the Harvard Uni-  
versity School of Public Health, has told  
medical audiences in a two-week European  
lecture tour.

## Warning to Iceland

Mr Roy Hattersley, Minister of State,  
warned Iceland yesterday that his negotia-  
tions in Reykjavik on fishing limits would  
be broken off if there was harassment of  
British trawlers. Two British vessels fishing  
off Iceland had their lines cut on Saturday.

## Tory pledge on schools

The Tories would rally education  
authorities' opposition to any legisla-  
tion ending 11-plus examinations and en-  
forcing nationwide comprehensive schooling.  
Mr Norman St John-Stevas, Conservative  
education spokesman, said yesterday.

## Algiers snub to Spain

The tripartite Sahara deal effected in  
Madrid between Spain, Morocco and  
Mauritania, was condemned by Algeria,  
and President Boumedienne refused to see  
a Spanish envoy.

## Big rally in Lisbon

Left-wingers, in exuberant mood, filled  
one of Lisbon's main thoroughfares yes-  
terday to demonstrate against the Govern-  
ment's economic plan. A rival pro-  
Government rally was staged at Viseu, in  
the conservative north of the country.

## Mr Heath's future

Mr Heath said yesterday that he saw his  
role as to give the lead in a great national  
debate on the fundamental questions that  
confront the nation and affect people's  
lives directly. He has ruled out a post in  
the shadow Cabinet or in the European  
Commission for the present.

## Smoking theory denied

There is no proof that smoking causes  
heart disease, Dr Carl Selzer,  
National Health Service research associate at the Harvard Uni-  
versity School of Public Health, has told  
medical audiences in a two-week European  
lecture tour.







# The best way to find out about an airline is to ask the people who speak its language.

## England

I am a frequent air traveller using many airlines throughout the Middle East and Europe. In my opinion, the punctual, efficient service I received on board a PIA flight from Karachi to Jeddah was the best I have ever experienced.

ENGLISH STATISTICIAN

## Japan

PIAは、他の航空会社に優るとも劣らない素敵な航空会社です。ほんとうに素晴らしい空の良き友です。

JAPANESE AUTOMOTIVE INDUSTRIALIST

## France

PIA sait très bien lorsqu'il faut vous laisser tranquille. J'ai dormi sans être dérangé de Paris au Caire et j'ai à peine remarqué l'escale de Francfort.

FRENCH FASHION BUYER

## Pakistan

میں پی آئی اے کے علاوہ کسی دوسری ایئر لائن سے سفر نہیں کرتا۔ اس وجہ سے نہیں کہ میں پاکستانی ہوں۔ بلکہ اس لئے کہ پی آئی اے صحیح معنوں میں پاکستان لوگ لاجواب پرواز کے مصداق ہے۔

PAKISTANI BANKER

## America

As an American living and working in Pakistan, Every year I fly home to the States with my family, and the service we receive is quite exceptional. Last year we flew economy and the flight was as enjoyable as ever.

AMERICAN CIVIL ENGINEER

## Thailand

เป็นสายการบินที่ตรงต่อเวลาจริงๆ ผมได้บินกับ พี ไอ อี ถึงสี่กว่าครั้งเมื่อปีที่แล้ว โดยที่ผมไม่เคยพลาดกับการนัดหมายเลย

THAI SILK EXPORTER

## Germany

WUNDERBAR!

GERMAN ECONOMIST

## England

These are difficult times for many airlines and service seems to be suffering. However I was extremely impressed with my first flight with PIA. The cabin crew were friendly and helpful and the service was excellent. I hope PIA keep up their high standards.

ENGLISH QUALITY CONTROL MANAGER

## The Gulf

یسرئی ان اہلئ شرکت الخطوط الجوية الباكستانية العالمية على ما تلقیت من عناية ولطف وشاهدت من كفاءة علىية جميع موظفيها اثناء رحلتی من امستردام الى دبی۔ ان هذه الشركة الجوية هي من الشركات القلائل التي یسرئی دائماً أن أسافر على طائرتها

DURAI COMPANY DIRECTOR

Nice things are being said about PIA. We know because comment cards are available on our planes for passengers to record their views about us. Mostly the remarks are appreciative and above you can see the sort of thing they are saying. Last year we flew over a million passengers to many destinations across four continents—a substantial increase over the previous year. No mean achievement at a

time when the air transport industry in general is facing a very difficult period. We added wide-bodied DC10-30s to our fleet of Boeing 707s. And set ourselves standards as high as any in the airline business. So it's not for nothing that we've earned the reputation as one of the most efficient airlines in the world. And are known as great people to fly with.

**PIA**

Pakistan International Airlines  
Great people to fly with



## WEST EUROPE AND OVERSEAS

## Algeria gives cool reception to envoy sent by Spanish prince to explain Madrid pact on Sahara

From Harry Debelius  
Madrid, Nov 16

Prince Juan Carlos, the acting chief of state, once again bypassed the Spanish Foreign Ministry this weekend by sending his Minister for Planning and Development to explain the Madrid pact on the Sahara to Morocco and Mauritania. Under this pact, Spain will jointly run the territory after it has left, according to informed sources.

The minister, Señor Joaquín Gutiérrez Cano, flew to Algiers yesterday hoping to see President Boumedienne, whose terse personal note for Señor Arias Navarro, the Spanish Prime Minister, delivered last week to the Spanish ambassador, had led to that envoy returning to Madrid. As it happened, Señor Gutiérrez Cano was not received by the President but by one of his ministers.

Señor Gutiérrez Cano's trip was the third time in less than a month when ministers have served as special envoys for delicate talks on the Sahara question.

The first instance occurred when Señor José Solís Riera, the Minister of the National Movement, momentarily eased tension by travelling to Rabat for a conversation with King Hassan before the Sahara march got under way. The second occurred when Señor Antonio Cordero Martínez, Minister of the Presidency, flew to Agadir eight days ago for urgent talks with King

Hassan which resulted in the end of the "Green March". It is also significant that the meetings here last week between Moroccan, Mauritanian and Spanish delegations were held at the offices of the Prime Minister rather than at the Foreign Ministry, and that the joint communiqué announcing the agreement at the end of the negotiations was issued by the Ministry of Information and Tourism, not by the Foreign Ministry.

In fact, just prior to the negotiations which resulted in the Madrid pact, informed sources said there was an unprecedented "down briefing" incident involving a number of disgruntled civil servants at the Foreign Ministry who were annoyed at short-circuiting their department and, apparently, to ignore the policy line proposed by Señor Pedro Cortina Mauri, the Foreign Minister.

The incident was kept under cover, apparently because it was felt that it would not do to call attention to differences within the regime at a time when General Franco is dying and the prince is just beginning to give the orders.

Although the prince gave the orders in the Sahara affair, the present Spanish Sahara policy was laid down earlier by General Franco, informed sources said. These sources claimed that shortly before his illness, the head of state insisted that Spain should with-

draw quickly from the colonial territory.

In his trip to Algiers the Minister for Planning and Development may have cooled official tempers there, but his message was hardly calculated to leave the Algerian President in a good mood. His was not a mission of consultation or negotiation; it was one of informing another government of a fait accompli.

He told the Algerian Government that the Madrid agreement was still subject to United Nations approval and that Spain had insisted that the Saharan people be consulted about their future.

Informed sources say that Morocco and Mauritania will join Spain in setting up a caretaker administration in the immediate future. But in fact Spain will wash its hands of the matter after evacuating all the civilians and troops, leaving the control of the territory in the hands of the Moroccan-Mauritanian administration.

Algiers, Nov 16.—Algeria today condemned the agreement between Spain, Morocco and Mauritania as an attempt to "pillage the natural resources of the western Sahara" by Madrid and "its accomplices".

The condemnation, in a commentary by the official news agency APS, followed the agency's decision to refuse to give space to Señor Gutiérrez Cano who was received by Mr. Belaid Abdesslem, the Industry and Energy Minister, and not by the President—Reuter.



Soldiers of the Marxist Popular Movement for the Liberation of Angola, armed with Russian rocket launchers and rifles, march through Luanda.

## President Amin rejects summit on Angola

From Our Correspondent  
Nairobi, Nov 16

Although a number of African presidents are pressing for a special summit meeting of the Organization of African Unity to consider the situation in Angola, the OAU chairman, President Amin of Uganda, says it is unnecessary.

In his view, the urgent need is to send an African peace-keeping force into Angola, under his command, and he has asked African leaders to agree to this. So far, none of them appear to have shown the support he is seeking.

President Amin considers that the recent meetings of the OAU Political Bureau and Defence Council in Kampala gave enough opportunity for discussion of the Angola question. At these meetings, representatives of the three Angolan nationalist movements agreed in principle to form a government of

national unity which would take over from the last Tuesday. But because the Soviet-backed Popular Movement for the Liberation of Angola (MPLA) refuses to recognize the National Front (FNLA) or the Union for Total Independence (Unita), nothing has materialized.

The OAU Chairman has since asked the leaders of the three organizations to agree to a peacekeeping force moving in, but the MPLA continues to refuse although both FNLA and Unita have shown a readiness to accept an OAU presence.

In the meantime, President Amin has described the Angola situation as "very grave" after reports that more than 400 foreign pilots, technicians and commandos have arrived in Luanda. Without accusing the MPLA, he said that if there were Soviet troops in Angola they should be removed before an OAU force moves in.

His quarrel with the Soviet Union, which broke off relations with Uganda last week after President Amin had angrily denounced efforts by Mr. Zakharov, the Soviet Ambassador in Kampala, to get him to support the MPLA, has left a number of questions unanswered, as most of the modern armaments in Uganda have been supplied by the Soviet Union.

President Amin has revealed that another 15 T-55 tanks and between 12 and 15 military fuel tankers have been ordered from the Soviet Union but he does not know whether they will materialize.

A message from Mr. Brezhnev, the Soviet party leader, was delivered to President Amin this weekend, but its detailed contents have not been revealed. It does, however, suggest that diplomatic relations between the two countries will be restored when mutual agreement is reached. President Amin, after his initial attack on

Soviet involvement in Angola, tried to prevent a diplomatic break by suggesting that Mr. Zakharov might have been replaced by someone more sympathetic. But it was too late, as Moscow had withdrawn the ambassador and announced the "suspension" of relations.

President Amin's insistence on following the official OAU policy, which recognizes all three Angolan movements, has resulted in a call from President Sékou Touré, of Guinea (normally one of his strongest supporters), for his resignation as OAU chairman. Guinea supports the MPLA.

President Amin has rejected Mr. Sékou Touré's protest as "totally unacceptable" and has offered to fly to Guinea to explain the situation. Touré was not present at the OAU summit conference in Kampala in July (and in fact has not attended any of the previous meetings).

Recovery of Sahara lands rallied peasants and Army  
Desert march was double coup for King

From Richard Wigg  
Rabat

On the train from Casablanca a fiery young Army officer discussing Morocco's Sahara claim made no secret that the issue lay with Algeria and not the Spanish.

They were the real enemy, he declared, emphasizing that what appeared to the outside world as a dispute between nomadic tribes straddling a colonial frontier was really a devastating struggle for mastery between the two chiefdoms of northern Africa. "If we can control the Saharans of the Sahara we can break the industrial and petrol power of Boumedienne," he held me deliberately as we drank mint tea.

When Morocco's expeditionary force on the Golan Heights returned with great prestige last week, he said, the King had a tenth of the armed forces to do as well as external job to launch "Operation Sahara" which has dominated Moroccan politics all this year.

The shadow of the generals' attempted coup against the monarch in 1972 hangs over the present events simply because the army remains the only rival political force to the king, a force neither the opposition political parties nor the trade unions could remotely challenge.

But with "Operation Sahara" King Hassan has taken the only sound task to occupy the army's thoughts and energies; he has pushed, more effectively than the political parties have ever done, one of their most insistent demands, namely

Morocco's vote 'with the feet' proves decisive victory for King Hassan

"recovery" of the Saharan provinces.

There are at least some Moroccan officers who see glory for themselves in the enterprise and would not shrink from fighting not only the Polisario guerrillas but also the Algerians themselves.

After the 1972 coup failed, King Hassan's pyrrhic command army's pyrrhic victory over the Polisario guerrillas was personally owed to extremely junior elite Gharibians were moved around and the Kenitra base was virtually dismantled.

The Sahara march, if one accepts voting with the feet, was the first test of national feeling in 10 years. There last met briefly in elections in 1972 but the chief opposition parties refused to participate, suspecting the Government was not really prepared for a free contest.

The main opposition movements—the veteran Istiqlal and the Union Socialiste des Forces Populaires (USFP)—continue to live in a more or less tolerant limbo, making their importance difficult to assess.

The conservative Istiqlal probably wields more influence

today through its two newspapers *Al Aam* and *L'Opinion*, the two most widely read Rabat dailies. But press censorship is frequent and the police can act rigorously when the opposition oversteps the line.

The USFP did hold a congress last January in Casablanca when it notably called for an amnesty for the hundreds of political prisoners. But no political group wanted to be identified with the King's Sahara march and even communists (theoretically banned but now calling themselves the Party of Progress) were there.

The sense of political vacuum in Morocco is enhanced by the fact that it is one of the very few African countries with no national movement. The King's mass support movement, the "Green March" where 60 per cent of the country's five million inhabitants still live.

After the shock of the 1972 coup attempt, the King has sought to give fresh impetus to a land reform programme which had faltered so badly in the 1960s. The number of big landowners had doubled but by contrast more than 80 per cent of the rural population farmed less than about 15 acres, the minimum in rain-fed areas for providing an economic existence.

Many of the peasants on the march were thus delighted with the day's ration of sardines, dates, bread and tea.

Land reform has been speeded up during the past two years, but most of the land so far distributed to cooperatives has come from estates formerly owned by French settlers.

## Greeks pay for arms build-up with special levy

From Our Correspondent  
Athens, Nov 16

The danger of a local war is forcing Greece to budget for 1976 for defence next year, roughly a quarter of the budget.

To cover this 30 per cent increase in its already overburdened defence bill, the Government has decided to levy a special tax on the transport of goods.

In excess of 27,000. This is expected to yield £143m. About 22m will come from a 25 per cent increase in the purchase tax on new cars.

These decisions on next year's budget were taken on Saturday at a ministerial meeting under Mr. Karamanlis, the Prime Minister. An official announcement said the new levy had become necessary to reinforce the country's defensive capability "without which there can be no economic progress".

Ever since the outbreak of the Aegean dispute and the crisis over Cyprus in 1974, Greece and Turkey have been engaged in a frantic arms race.

## Tel Aviv agrees to talks if UN stays in Golan

From Our Own Correspondent  
Tel Aviv, Nov 16

Israel has agreed to a Soviet proposal to reconvene the Middle East peace talks in Geneva, with the stipulation that the UN stay in the Golan Heights. The mandate expires on November 30.

Israel rejected a Soviet proposal that the Palestine Liberation Organization (PLO) should take part in the talks.

The Cabinet today discussed a statement made in Washington by Mr. Harold Saunders, deputy Assistant Secretary of State for Middle East Affairs, which was widely interpreted here as indicating an erosion of American policy.

Officials speaking privately said Mr. Saunders had referred to the PLO as the central factor in the Palestinian issue and this seemed to contradict the traditional American position that the problem must be solved in the framework of

negotiations between Israel and Jordan.

Ras Sudar: The guard of honour snapped to attention, the buglers played and the Egyptian flag was hoisted high over Ras Sudar in Sinai today.

As it fluttered in the Red Sea breeze, a military band played the national anthem and Mr. Muhammad Karamani, the governor of Sinai, told 300 Lebanese gathered at the ceremony: "You have returned to the embrace of your mother."

Israel withdrew on Friday—UPI.

Damascus: Syria celebrated the fifth anniversary of President Assad's rule today. It is the longest any Syrian leader has held power since independence from France in 1946.

At a rally, Mr. Khaddam, the Foreign Minister, attacked President Sadat, of Egypt, for signing the Suez agreement with Israel, saying Egypt "has thrown itself into a swamp, switching completely from confronting the enemy to helping him". Of the Sinai agreement, he said: "We will shed sweat and blood to foil it"—AP.

## Israel bombing condemned by the Pope

Jerusalem, Nov 16.—The Israeli Government today expressed satisfaction at the condemnation by the Pope of the Arab guerrilla bomb that killed six teenagers in "Zion Square" on Thursday.

The Pope said yesterday that the bombing was "an outrageous flouting of civilized values". He sent the message through Cardinal Jean Villot, the Papal Secretary of State, and the cable was received by Archbishop William Carey, the apostolic delegate in the Holy City.

The Pope sent his sympathy to the victims' families and condemned "this senseless act of violence" and "all terrorism which is always so sterile and certainly destructive of society".

An Israeli official termed the message "the most spontaneous, highest-level and most unequivocal condemnation of terrorism yet" by the Pope.

Twenty-two of the wounded were still in hospital, two of them on the critical list.—UPI and Reuter.

## New York is saved for a few more weeks

From Fred Emery  
Washington, Nov 16

It was literally a few minutes to midnight when New York City, its environs, and an important state agency were again saved for a few weeks from bankruptcy. This time it was the state legislature that rode, or was ridden, to the rescue.

They do not in Albany, as they used to do in the EEC, stop the clock. Instead they order a couple of banks to stay open long into the night to receive, properly, whatever funds for the pending transactions.

Bigger battles for the slightly longer term lie in the week ahead, with a sign of encouragement from Congress.

The Bills that Governor Carey signed in the early hours yesterday gave the state relief. The first, and most important, imposed a repayment of principal on \$1,600m (\$800m) of New York City securities becoming due on June 30. Bondholders would receive interest and be offered the chance of converting to 15-year bonds of the Municipal Assistance Corporation ("Big Mac").

Of more instant concern was the rescue of the city of Yonkers, contiguous with New York City, which was about to enter formal default at midnight on Friday. It needed \$25m to stay afloat three more weeks, and it was given by the state an advance of \$10m plus the investment of \$15m from the state insurance fund.

Yonkers, like New York City before it, lost its self-governing independence in the imposition of an emergency control board to manage its affairs.

The third Bill rescued for a while the ailing state Housing Finance Agency.

This week's legislature faces a tense debate over Governor Carey's request for \$272m in new taxes which the Republicans are opposing.

At the federal level the congressional Republican leaders' agreement to three crucial provisions of an eventual federal loan guarantee was announced. Repeatedly John Rhodes attempted to compromise changes in the Bill sponsored by Representative Henry Reuss, Chairman of the House banking committee.

Usually such assent indicates Republican Party backing, which would make it difficult for President Ford to have any eventual veto sustained. So far, in spite of all the talk, Ford is refusing to help for New York City, there has been no direct confirmation from the President.

Our New York Correspondent writes: Mr. James F. McGrath, the First Deputy Mayor of New York City, announced that he will resign at the end of the year. He has been widely criticized by New York state officials as well as by businessmen and financiers, for his part in the city's fiscal troubles. He is an appointee of a close associate of Mr. Abraham Beame, the Mayor.

Pakistan lawyer in trouble with courts

From Our Correspondent  
Rawalpindi, Nov 16

The Lahore High Court has convicted the president of its bar association, Shaikh Shaukat Ali, of contempt of court and fined him over for two years. He had already been bound over in another case by the Supreme Judicial Council of Pakistan for committing contempt of a former justice of the Supreme Court in the course of a press interview.

Shaikh Shaukat Ali tendered what he described as an unqualified apology to the Lahore High Court, pleading not to commit contempt again, but the plea was not enough: the shahid had made contemptuous remarks against the court in a speech before the Rawalpindi bar association in July. The High Court ordered Shaikh Shaukat Ali to furnish a bond of 20,000 rupees (about £1,000) with surety of equal amount, undertaking not to commit contempt of any court in future.

He faces further proceedings before a division bench of the High Court for participating in a public demonstration some time ago demanding the repeal of the contempt of court law.

## Treasury 'revolt' an early setback for Mr Fraser

From Douglas Altton  
Melbourne, Nov 16

Mr Malcolm Fraser, the caretaker Prime Minister, will pick up the details of the country's economic situation which, he says, the Labour Government had kept secret because of its frightening nature. At the moment, the issue seems to be the only strong issue in the campaign and no one yet knows what those details are going to be.

Over the weekend the campaign has not gone well for the Fraser Government. On Friday 68 senior Treasury officials formally protested to the Governor-General that the caretaker Government had breached the guidelines set down. They asked the Government to provide information on long-term policies which could only be used for electoral gain as the caretaker Government is not entitled to take any initiatives.

John Kerr, the Governor-General, who, when commissioning Mr Fraser to form a government, had said that he was not yet committed to the letter sent to him by the Treasury officers.

In addition to this setback, a poll published today shows that Labour has been recovering strongly but still needs to pick up between 5 and 6 per cent to equal in the last election. The poll was taken in all of these six cities in the first two weekends of November, that is after Mr Fraser's offer of a compromise to solve the deadlock between Mr Whitlam and the Liberal Party. It showed that 48.5 per cent of voters intended to vote Labour and 45.5 per cent intended to vote Liberal and Country Party.

It is reasonable to assume that the public reaction to the events of last week that figures would now be even more in support of Labour.

Canberra, Nov 16.—The dismissal of the Whitlam Government could lead to future talk of an Australian republic. Mr Fred Daly, the former Minister for Administrative Services, said tonight.

"I don't think people are going to continue to have a Queen's representative dismissing governments as though they were office boys," he said in a television interview.—Reuter.

## Portuguese parties take to the streets again

From Michael Knipe  
Lisbon, Nov 16

Left-wingers, mainly manual workers, many of whom were packed on to lorries, cement mixers and tractors, filled the Avenida de Liberdade, one of Lisbon's main thoroughfares, today in an exuberant anti-Government rally.

The Socialists and centre-left Popular Democrats expressed fears that the Lisbon demonstration was a cover for a left-wing coup and arranged their own pro-Government demonstration in Visen, but the Socialists later withdrew after a quarrel with their partners.

Street power—the number of supporters any political movement can field as a demonstration has become an important factor in Portuguese politics. Since the formation of his mainly Socialist Government, Admiral Azevedo, the Prime Minister, has bolstered confidence in it by making public appearances at mass rallies.

With the military rulers unwilling to risk using police or military force to assert their

authority, political street actions are regarded as a crucial gauge of the Government's prospects of survival.

Today's rally in Lisbon was a non-partisan one officially. However, as has become customary, the slogans were published in advance and they left little doubt as to who was demonstrating about what.

Reactionaries out of the Government now; "Emergency plan is an anti-worker plan"; "Right-wing policies yes, no, left-wing policies yes", and others in a similar vein.

A secretariat of workers' committees in the Lisbon industrial belt organized the event but it was supported openly by the Communist Party and more extreme left-wing movements and was undoubtedly staged in response to the pro-Government rally organized by the Socialist Party and the Popular Democrats in the capital last Sunday. It was a festive occasion day involving elaborate floats and a lively and colourful variety of political banners.

Admiral Azevedo had been invited to the Visen rally, but he declined on health grounds.

## In brief

## Karami plan gets good response

Beirut, Nov 16.—Proposals by Mr Rashid Karami, Lebanon's Muslim Prime Minister, for radical political reforms aimed at phasing out Christian dominance in government institutions, have won cautious approval in the right-wing Phalangist press.

Mr Karami has suggested the removal of the automatic requirement for a ratio of six Christians to every five Muslims in Parliament.

## Anglo-Cuban pact

Havana, Nov 16.—Mr Peter Shore, the British Trade Secretary, has concluded a trade agreement with Cuba which, he says, marks the start of closer collaboration between the governments and industries of the two countries.

## Mrs Johnson barred

Ciudad Juarez, Nov 16.—Mexican border police yesterday refused to allow Mrs Johnson, widow of former United States President Lyndon Johnson, to enter the country with two armed bodyguards.

## Consul's release date

Beirut, Nov 16.—Eritrean guerrillas say that Mr Basil Burwood-Taylor, the British honorary consul kidnapped by rebels in Eritrea province more than three weeks ago, will be released within two weeks.

## Archbishop arrives

Nairobi, Nov 16.—The Archbishop of Canterbury, Dr Donald Coggan and Mrs Coggan arrived here today to attend the fifth assembly of the World Council of Churches.

## Kidnap boy dead

Basle, Nov 16.—The body of the eight-year-old adopted son of Mr Jürgen Zimmermann, a Basle city councillor, kidnapped last Wednesday, was found today, the police said.

## Dr Kissinger comes under heavy fire in Washington

From Our Own Correspondent  
Washington, Nov 16

Dr Kissinger, the Secretary of State, has been accused here—in the middle of the embarrassing meeting of the State Department and Research at the State Department, Mr Hyland, a hand-picked Kissinger man, would not have spoken without authority. He declared: "I consider it unbelievable that a committee of the Congress would move towards three citations of contempt against the Secretary of State on the very eve of an important summit meeting, two weeks before presidential visits to China and less than a month before a major NATO meeting."

The new attack comes hot on the heels of recommendations that Dr Kissinger be cited for contempt of Congress for refusal to supply subpoenaed documents. These moves have so angered Dr Kissinger that some have suggested it could provoke his resignation.

Dr Kissinger's fury was reflected at a news conference given yesterday by Mr William Hyland, Director of Intelligence and Research at the State Department. Mr Hyland, a hand-picked Kissinger man, would not have spoken without authority. He declared: "I consider it unbelievable that a committee of the Congress would move towards three citations of contempt against the Secretary of State on the very eve of an important summit meeting, two weeks before presidential visits to China and less than a month before a major NATO meeting."

Dr Kissinger, who is 73, sat in an armchair in a Delhi hospital and answered questions for 15 minutes after doctors had examined him. He said he was still "very weak" from a kidney infection that he developed during detention but was responding favourably to treatment.

Mr Narayan said he had heard in Chandigarh that the Government wanted him to come to Delhi for a few days to meet various persons close to Mrs Gandhi, including Mr Brahmananda Reddy, the Home Minister, and Mr P. N. Dhar, the Prime Minister's executive assistant.

There was no immediate reaction from the Government to Mr Narayan's comments. Before the emergency, Mrs Gandhi resisted suggestions from some persons within her own Congress party to open a dialogue with Mr Narayan, who had emerged as the leader of

the splintered opposition parties. At least three Congress members of Parliament favoured a dialogue with Narayan were expelled from the party.

Informed political observers thought that the Government was probably willing to start negotiations with Mr Narayan now that the Supreme Court has quashed Mrs Gandhi's election malpractices.

The Press Trust of India reported today that a Bombay High Court judge has ordered the Government's chief counsel not to prevent press reports of proceedings in the court.

Justice D. M. has ordered the order after the publication of reports of proceedings and judgments in the High Court on petition relating to the censorship of two articles. These articles were referred to pre-censorship by the emergency.

Government censors have repeatedly blocked out news of court judgments unfavourable to the Government since the state of emergency was imposed on June 26.—AP and Reuters.

Delhi, Nov 16.—Mr Jayaprakash Narayan, the first opposition leader to be released from detention since a state of emergency was proclaimed in India five months ago, said today that the Government wanted to have talks with him on ways to end the political crisis.

Arriving in Delhi from Chandigarh, where he was detained until being paroled last Wednesday, Mr Narayan said he hoped the talks would start soon, perhaps in a day or two. He indicated that he would urge the Government to lift the emergency, free all political prisoners, end censorship and hold national elections on schedule by next March.

Mr Narayan made his comments in his first meeting with journalists since June 25, the day he addressed a mass meeting in Delhi and urged members of the police and armed forces to defy "unlawful orders".

He and other non-communist opposition leaders were

## Burmese success in Peking

From Our Correspondent  
Rangoon, Nov 16

U Ne Win, the President of Burma, was given a hearty welcome by his colleagues yesterday on his return from China. He was described by Mr Teng Hsiao-ping, the Chinese Deputy Prime Minister, as "a complete success".

A joint statement issued yesterday traced the history of traditional Sino-Burmese friendship which was revived and reactivated by the 1954 declaration of the five principles of peaceful coexistence encouraged and strengthened thereafter by

the two countries undertaking "not to carry out aggression against each other and not to take part in any military alliance directed against each other".

It expressed satisfaction with the implementation of the economic and technical cooperation agreement and looked forward to the expansion of trade.

The two sides congratulated the Indo-Chinese peoples on their "great historic victories". They were glad to note that the people of other South-East Asian countries had made new progress in their struggle to safeguard their independence

## Zambia 're-routes exports'

From Our Correspondent  
Salisbury, Nov 16

President Kaunda of Zambia is expected to be extremely embarrassed by reports published in Rhodesia and South Africa today that thousands of tons of copper have been exported abroad through the Rhodesian railways.

About 9,000 tons which had built up because of the closure of Lobito Bay in Angola apparently have passed through Rhodesia to the Mozambique port of Lourenço Marques.

According to the report, which was sent to associate newspapers of the Sunday

Tribune published in Durban, a shipping expert said that sanctions and prejudices have been pushed aside by the economic realities facing Zambia.

Fretilim, the African Government which took over at independence, has eliminated the corruption that had hitherto dislocated the handling system at Lourenço Marques and expert South African staff have replaced the Portuguese staff. Armed Fretilim troops stand guard as the shipping of cans supervise the shipping of minerals pouring in from south and central Africa.

Fretilim, the African Government which took over at independence, has eliminated the corruption that had hitherto dislocated the handling system at Lourenço Marques and expert South African staff have replaced the Portuguese staff. Armed Fretilim troops stand guard as the shipping of cans supervise the shipping of minerals pouring in from south and central Africa.



## ST EUROPE

## Spain legalizes official use of Catalan and Basque languages

Nov 16  
Spanish Government has decided to legalise the use of Catalan and Basque languages in many official offices and in all cultural

signed last October since Juan Carlos, the king of Spain, went into exile, recognizing the fact that the end of the war that "regional" are the cultural of the Spanish and all of them are to be considered as national

ecree authorized the use of Catalan in public radio and television, as well as in non-educational and other local bodies, supporters of regional language the decree fall the mark because it is the use of Castilian obligatory in law

id it does not specify the general use of Catalan in schools, neither Government nor the council of the used National Movement, referred to as the Chamber of the parliament, rejected an from Senor Joaquin

g area e for s... to have General anti-terrorist decree unconstitutional.

see has been respon... the church-linked commission for Justice, spearheaded a drive the authorities with or a repeal of the ground that it is ional.

view in Reykjavik... he said Britain would give all necessary protection vessels in international waters.

Two incidents on Saturday led to Mr Hattersley's warning. The Hull trawler Primella was fishing 35 miles off the Iceland coast on its way outside cut. This is 23 miles outside what the British Government regards as Iceland's legal limit.

Later the trawler Boston Marauder had one of its wires cut.

## Italian MP seized by kidnap gang

From Our Correspondent Rome, Nov 16

A Christian Democrat member of Parliament, Signor Pietro Riccio, has been seized by kidnapers in Sardinia who are believed to be holding him for ransom. It is the first time in Italy that a politician has been kidnapped, but police do not think the crime was carried out for political reasons.

Signor Riccio, who is 54, is a wealthy criminal lawyer who has defended several of Sardinia's most notorious bandits. He was ambushed on Friday night while driving home from a political meeting on the eve of local elections. A colleague who was travelling with him was left tied up by the roadside until police found him several hours later.

The crime aroused considerable indignation in Rome where leading parliamentarians called it "an attack on the constitution" and demanded immediate measures to counter the spread of kidnapping. According to Interior Ministry figures, 53 people have been kidnapped since the beginning of the year, and 12 are still being held captive.

Police investigations are centred on the desolate mountain area inland from Oristano on the west coast of Sardinia.

EEC appoints new envoy to US

Brussels, Nov 16.—The European Commission has announced the appointment of Mr Fernand Spaak, the Belgian director-general in charge of energy policy, as its new Ambassador in Washington. He will succeed Mr Jens-Otto Krag, the former Danish Prime Minister.

After yesterday morning's talks, the Icelandic Cabinet was called into special session. Mr Agustsson, the Foreign Minister, reported on his negotiations with Mr Hattersley.

Icelandic ministers have repeatedly said that it is useless to have talks unless the British show understanding about the serious depletion of the cod stock in Icelandic waters.



Mr Ford talking to M Giscard d'Estaing at lunch yesterday.

## Wilson optimism at Rambouillet

Continued from page 1

The Prime Minister emphasized that any such measures would be of a temporary nature and would be limited strictly to industries which had a viable future.

With this, to some eyes, very large reservation, Britain seems prepared to join the other countries in calling for some kind of renewal of the commitment to free trade. The need for this is felt strongly by countries such as Japan and Germany which are large exporters.

These countries are often looked to to provide much of the impetus for economic recovery during the months ahead, but there is some worry about whether things are going as planned. Little of the emerges when leaders talk of their own countries, and it was striking that both Mr Wilson and President Ford gave remarkably optimistic descriptions of their countries' economic situation, with the American President predicting growth of 6 or 7 per cent next year.

Britain, which has been the country most keen to see reflection in the United States and Germany, now seems worried by the possibility that when the room does get going, it will be occurring at the same time everywhere in much the same way that the last period of

rapid growth caused overheating and inflation.

There appears to be less agreement on energy policy. The United States, in particular, wants a warning issued against a further increase in oil prices.

President Giscard d'Estaing argued that no decision should be taken because most of the countries affected were not represented at Rambouillet.

The limited list of participants, with the consequent risk that those excluded might become angry about decisions being taken over their heads, has meant that the whole conference has had to take great care not to seem to be doing the job of other institutions.

The leaders are just trying to guide others on their thinking about what should be done, though that in itself is rather more than it was suggested they would do.

Before the meeting, great pains were taken to explain that no concrete decisions of any kind would emerge. What the leaders seem to be doing is deciding to decide on a range of issues.

Among other matters discussed today was the financial plight of New York City. The Americans would like this to be the first of a series of summits. They would also like finance ministers of the six and

Canada, which is not represented at Rambouillet, to meet to monitor progress in getting the world economy back on its feet.

Britain is worried about the proliferation of international meetings of all kinds, but is showing no sign of giving up its insistence on being invited to the next big international economic meeting, the oil producer-consumer dialogue. It is still demanding a separate seat at this meeting, a demand which has angered many other EEC countries.

Britain has said it wants to raise at Rambouillet the question of nuclear proliferation, which seems a little out of the mainstream of issues being discussed, but is a subject on which it has strong views.

Mr Callaghan may be able to raise this topic tomorrow with his fellow foreign ministers who will be excluded from the meeting of heads of government.

Tomorrow the conference will get back to the format which was originally designed for it. President Giscard d'Estaing wanted this to be a small, informal gathering of friends around the fireplace, and in the morning he will get something not far removed from that. Over the weekend, however, it has been a formal affair with 18 people at a time in the conference room.

## Herr Brandt shows his career is not over

From Dan van der Var Bonn, Nov 16

The congress of West Germany's ruling Social Democrats, which ended in Mannheim yesterday, gave an impression of solidarity and support for the leadership almost too good to be true.

But the Chancellor, Herr Schmidt, almost unanimously re-elected vice-chairman, must have been a happy man as he set off immediately for the economic summit conference at Rambouillet.

The partnership between himself and Herr Willy Brandt, equally resoundingly re-elected chairman, can hardly after the triumph of Mannheim be questioned as a highly effective instrument for keeping the party in step with the coalition Government.

If one surprise was the degree of confidence expressed in Herr Schmidt as Chancellor right across the party, the other main focus of personal interest for observers was undoubtedly the renewed energy and confidence of Herr Brandt 15 months after he stepped down from the Chancellorship over a spy scandal.

Fully in command of himself and the party and freed from the cares of government office, Herr Brandt showed his political career was far from over and the role of elder statesman was not yet for him. His confidence was such that he led him to overreach himself when he described the Christian Democrat opposition as a "security risk".

This was uncalled for, and it has meant that the argument which led up to the remark, which certainly presented a case for the Opposition to answer about its leadership problem and its lack of alternative policies, has been ignored as political Bonn succumbs to a bout of personal mud-slinging.

That apart, the Mannheim congress gave the leadership and the Government all it asked and more in the way of a demonstration of unity, stage-managed though it was.

Even the battle between the two wings of the party over the composition of the new executive, with the right in one hotel and the left in another exchanging proposals for deals with "ambassadors" from the other camp, came to nothing.

After two years of serious losses in regional elections and a series of disputes both within the Social Democratic Party and with the junior partners in the coalition, the Christian Democrats, the achievement of Mannheim is all the more remarkable.

The party managed to clear the decks of doctrinal and personal disputes, at any rate on a visible level, in good time for next year's federal election.

The Opposition is doing its best to help as the serious differences between the chairman, Dr Helmut Kohl, and the Bavarian leader, Herr Franz Josef Strauss, deepen. Unless they come to terms soon, an open split into two separate parties is a real possibility.

Leading article, page 17

## Election test of public opinion in Italy

From Our Correspondent Rome, Nov 16

Voters in 125 of Italy's 8,000 communes went to the polls today to elect new local administrations.

Although relatively small numbers are involved, political leaders will be looking at the results for an indication of how the electorate has reacted to the considerable left-wing gains in last June's regional and local elections.

It is not expected that any dramatic changes will occur and the Christian Democrats are hoping that there will be no further erosion of their position. The results are expected to be declared tomorrow evening.

## Pope beatifies doctor who cared for poor

From Our Correspondent Rome, Nov 16

The Pope today beatified Professor Giuseppe Moscati, a prominent Neapolitan doctor known to his patients as "Don Beppino". Professor Moscati, who died in 1927 aged 47, was famous for his works of charity and for his care of the poor in the slums of Naples.

Among the 50,000 pilgrims and tourists who gathered in St Peter's Square for today's ceremony was President Leone, himself a Neapolitan, and several government ministers.

The Pope said the Blessed Giuseppe Moscati had shown how science and Christian charity could work together for the good of mankind.

## FINE WINE LAYTONS PROMOTION

for the Christmas Season. ORDER NOW—do not wait. Limited quantities of genuine bargains. Discount of 50p per case on orders of 3 cases or more

## BOTTLED CLARET

	per doz. botts.	incl. VAT
2 botts. 1967 CH. LAGUNE, France	£18.00	
2 botts. 1967 CH. MEYNE, St. Estephe	£24.00	
2 botts. 1967 CH. LA LAGUNE, 3rd growth	£29.00	
2 botts. 1967 CH. MAGDELAINE, Premier Grand Cru St. Emilion	£32.50	
2 botts. 1967 CH. GRAND PUY LACOSTE	£32.50	
2 botts. 1962 CLOS DE JACOBINS Grand Cru St. Emilion	£36.00	
2 botts. 1961 CH. DU CAUZE, St. Emilion	£36.00	
2 botts. 1964 CH. MARGAUX	£69.00	

ONION BOTTLED  
managed to obtain from LEBEGUE some exclusive very reasonable prices. The quality of their wines is in our May offer and this selection does their best credit.

	per doz. botts.	incl. VAT
2 botts. 1970 CH. LA SALLE	£16.50	
2 botts. 1971 CH. HAUT VERAC	£16.50	
2 botts. 1971 CH. LA CROIX ST. MICHEL	£16.50	
2 botts. 1971 CH. LE PRIEUR	£17.00	
2 botts. 1971 CH. MONDESIR	£17.00	
2 botts. 1971 CH. LA TOUR PUY LAUNOUE	£18.00	

IN OUR OPINION THESE CLARETS WILL GIVE ASSURE.

	per doz. botts.	incl. VAT
2 botts. N.V. POUILLY BLANC FUME	£15.00	

	per doz. botts.	incl. VAT
2 botts. 1972 MERCUREY Protheau	£18.00	
2 botts. 1970 SAVIGNY LES BEAUNE, Bouchard Pere	£22.00	
2 botts. 1971 VOLNAY FREMIETS, Marquis d'Angerville	£30.00	
2 botts. 1970 CHARMES CHAMBERTIN, Lebeque	£32.00	
2 botts. 1969 CLOS DE VOUGEOT, Lebeque	£34.00	
2 botts. 1970 CLOS DE VOUGEOT, Lebeque	£34.00	

NOUVEAU 1975 personally selected in the Beaujolais—Excellent fruity quality. We always ship one of the best offers.

2 botts. 1 case=£18.00 3 cases=£18.40 10 cases=£17.80 VAT incl. • • • • •

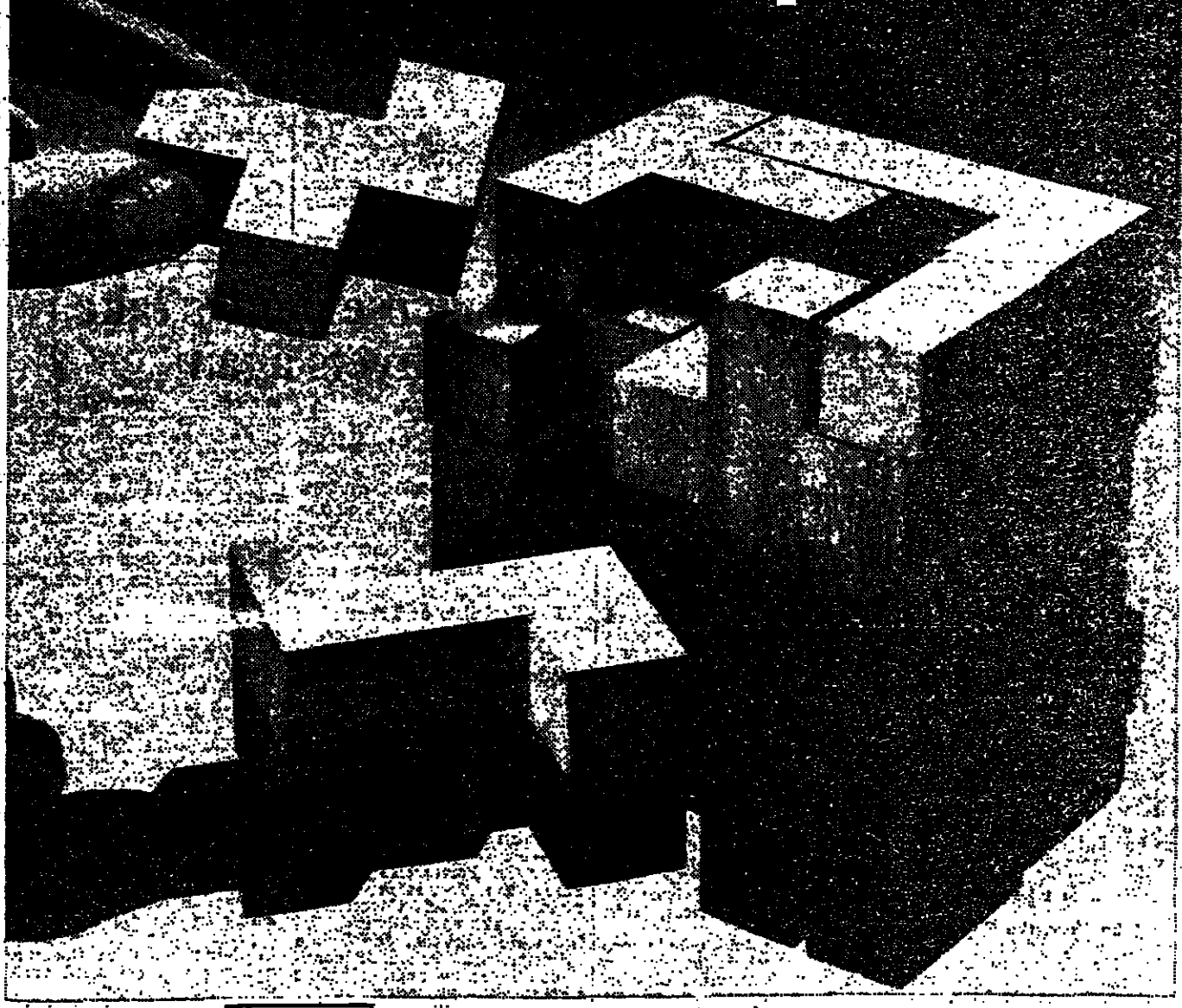
LAYTONS accept orders by telephone or letter—minimum one doz. botts. unmixd. INVOICES are sent IMMEDIATELY and after PAYMENT is received the wines are despatched Please telephone either G. J. CHIDGEY, D. J. RADCLIFFE or M. J. L. MORGAN at

**LAYTONS**

Independent Wine Shippers, 11 Gough Square, EC4 3JJ

Telephone: 01-353 1170; 353 1178/9; 353 2985/6; Telex 21139

## Somebody's puzzling over office space



**Our Commercial Advisers are there to help you**

From our offices in London and Edinburgh, we offer a comprehensive service to clients, covering all aspects of acquisition, sale, letting and valuation of office and shop property throughout the United Kingdom.

It's all part of the Knight Frank & Rutley service.



**Knight Frank & Rutley**  
20 Hanover Square London W1R 0AH  
Telephone: 01-629 8171 Telex 265384  
Also in the City of London  
Amsterdam Brussels Edinburgh Geneva Lagos Paris Tehran











## ENTERTAINMENTS

When telephoning use prefix 01 only outside London Metropolitan Area

## OPERA AND BALLET

**COVENT GARDEN** 330 1706  
 Tonight: *THE ROYAL OPERA*  
 Tomorrow: *THE ROYAL OPERA*  
 Wednesday: *THE ROYAL OPERA*  
 Thursday: *THE ROYAL OPERA*  
 Friday: *THE ROYAL OPERA*  
 Saturday: *THE ROYAL OPERA*  
 Sunday: *THE ROYAL OPERA*

## THEATRES

**ADOLPH THEATRE** 34-35-36-37-38-39-40-41-42-43-44-45-46-47-48-49-50-51-52-53-54-55-56-57-58-59-60-61-62-63-64-65-66-67-68-69-70-71-72-73-74-75-76-77-78-79-80-81-82-83-84-85-86-87-88-89-90-91-92-93-94-95-96-97-98-99-100-101-102-103-104-105-106-107-108-109-110-111-112-113-114-115-116-117-118-119-120-121-122-123-124-125-126-127-128-129-130-131-132-133-134-135-136-137-138-139-140-141-142-143-144-145-146-147-148-149-150-151-152-153-154-155-156-157-158-159-160-161-162-163-164-165-166-167-168-169-170-171-172-173-174-175-176-177-178-179-180-181-182-183-184-185-186-187-188-189-190-191-192-193-194-195-196-197-198-199-200-201-202-203-204-205-206-207-208-209-210-211-212-213-214-215-216-217-218-219-220-221-222-223-224-225-226-227-228-229-230-231-232-233-234-235-236-237-238-239-240-241-242-243-244-245-246-247-248-249-250-251-252-253-254-255-256-257-258-259-260-261-262-263-264-265-266-267-268-269-270-271-272-273-274-275-276-277-278-279-280-281-282-283-284-285-286-287-288-289-290-291-292-293-294-295-296-297-298-299-300-301-302-303-304-305-306-307-308-309-310-311-312-313-314-315-316-317-318-319-320-321-322-323-324-325-326-327-328-329-330-331-332-333-334-335-336-337-338-339-340-341-342-343-344-345-346-347-348-349-350-351-352-353-354-355-356-357-358-359-360-361-362-363-364-365-366-367-368-369-370-371-372-373-374-375-376-377-378-379-380-381-382-383-384-385-386-387-388-389-390-391-392-393-394-395-396-397-398-399-400-401-402-403-404-405-406-407-408-409-410-411-412-413-414-415-416-417-418-419-420-421-422-423-424-425-426-427-428-429-430-431-432-433-434-435-436-437-438-439-440-441-442-443-444-445-446-447-448-449-450-451-452-453-454-455-456-457-458-459-460-461-462-463-464-465-466-467-468-469-470-471-472-473-474-475-476-477-478-479-480-481-482-483-484-485-486-487-488-489-490-491-492-493-494-495-496-497-498-499-500-501-502-503-504-505-506-507-508-509-510-511-512-513-514-515-516-517-518-519-520-521-522-523-524-525-526-527-528-529-530-531-532-533-534-535-536-537-538-539-540-541-542-543-544-545-546-547-548-549-550-551-552-553-554-555-556-557-558-559-560-561-562-563-564-565-566-567-568-569-570-571-572-573-574-575-576-577-578-579-580-581-582-583-584-585-586-587-588-589-590-591-592-593-594-595-596-597-598-599-600-601-602-603-604-605-606-607-608-609-610-611-612-613-614-615-616-617-618-619-620-621-622-623-624-625-626-627-628-629-630-631-632-633-634-635-636-637-638-639-640-641-642-643-644-645-646-647-648-649-650-651-652-653-654-655-656-657-658-659-660-661-662-663-664-665-666-667-668-669-670-671-672-673-674-675-676-677-678-679-680-681-682-683-684-685-686-687-688-689-690-691-692-693-694-695-696-697-698-699-700-701-702-703-704-705-706-707-708-709-710-711-712-713-714-715-716-717-718-719-720-721-722-723-724-725-726-727-728-729-730-731-732-733-734-735-736-737-738-739-740-741-742-743-744-745-746-747-748-749-750-751-752-753-754-755-756-757-758-759-760-761-762-763-764-765-766-767-768-769-770-771-772-773-774-775-776-777-778-779-780-781-782-783-784-785-786-787-788-789-790-791-792-793-794-795-796-797-798-799-800-801-802-803-804-805-806-807-808-809-810-811-812-813-814-815-816-817-818-819-820-821-822-823-824-825-826-827-828-829-830-831-832-833-834-835-836-837-838-839-840-841-842-843-844-845-846-847-848-849-850-851-852-853-854-855-856-857-858-859-860-861-862-863-864-865-866-867-868-869-870-871-872-873-874-875-876-877-878-879-880-881-882-883-884-885-886-887-888-889-890-891-892-893-894-895-896-897-898-899-900-901-902-903-904-905-906-907-908-909-910-911-912-913-914-915-916-917-918-919-920-921-922-923-924-925-926-927-928-929-930-931-932-933-934-935-936-937-938-939-940-941-942-943-944-945-946-947-948-949-950-951-952-953-954-955-956-957-958-959-960-961-962-963-964-965-966-967-968-969-970-971-972-973-974-975-976-977-978-979-980-981-982-983-984-985-986-987-988-989-990-991-992-993-994-995-996-997-998-999-1000-1001-1002-1003-1004-1005-1006-1007-1008-1009-1010-1011-1012-1013-1014-1015-1016-1017-1018-1019-1020-1021-1022-1023-1024-1025-1026-1027-1028-1029-1030-1031-1032-1033-1034-1035-1036-1037-1038-1039-1040-1041-1042-1043-1044-1045-1046-1047-1048-1049-1050-1051-1052-1053-1054-1055-1056-1057-1058-1059-1060-1061-1062-1063-1064-1065-1066-1067-1068-1069-1070-1071-1072-1073-1074-1075-1076-1077-1078-1079-1080-1081-1082-1083-1084-1085-1086-1087-1088-1089-1090-1091-1092-1093-1094-1095-1096-1097-1098-1099-1100-1101-1102-1103-1104-1105-1106-1107-1108-1109-1110-1111-1112-1113-1114-1115-1116-1117-1118-1119-1120-1121-1122-1123-1124-1125-1126-1127-1128-1129-1130-1131-1132-1133-1134-1135-1136-1137-1138-1139-1140-1141-1142-1143-1144-1145-1146-1147-1148-1149-1150-1151-1152-1153-1154-1155-1156-1157-1158-1159-1160-1161-1162-1163-1164-1165-1166-1167-1168-1169-1170-1171-1172-1173-1174-1175-1176-1177-1178-1179-1180-1181-1182-1183-1184-1185-1186-1187-1188-1189-1190-1191-1192-1193-1194-1195-1196-1197-1198-1199-1200-1201-1202-1203-1204-1205-1206-1207-1208-1209-1210-1211-1212-1213-1214-1215-1216-1217-1218-1219-1220-1221-1222-1223-1224-1225-1226-1227-1228-1229-1230-1231-1232-1233-1234-1235-1236-1237-1238-1239-1240-1241-1242-1243-1244-1245-1246-1247-1248-1249-1250-1251-1252-1253-1254-1255-1256-1257-1258-1259-1260-1261-1262-1263-1264-1265-1266-1267-1268-1269-1270-1271-1272-1273-1274-1275-1276-1277-1278-1279-1280-1281-1282-1283-1284-1285-1286-1287-1288-1289-1290-1291-1292-1293-1294-1295-1296-1297-1298-1299-1300-1301-1302-1303-1304-1305-1306-1307-1308-1309-1310-1311-1312-1313-1314-1315-1316-1317-1318-1319-1320-1321-1322-1323-1324-1325-1326-1327-1328-1329-1330-1331-1332-1333-1334-1335-1336-1337-1338-1339-1340-1341-1342-1343-1344-1345-1346-1347-1348-1349-1350-1351-1352-1353-1354-1355-1356-1357-1358-1359-1360-1361-1362-1363-1364-1365-1366-1367-1368-1369-1370-1371-1372-1373-1374-1375-1376-1377-1378-1379-1380-1381-1382-1383-1384-1385-1386-1387-1388-1389-1390-1391-1392-1393-1394-1395-1396-1397-1398-1399-1400-1401-1402-1403-1404-1405-1406-1407-1408-1409-1410-1411-1412-1413-1414-1415-1416-1417-1418-1419-1420-1421-1422-1423-1424-1425-1426-1427-1428-1429-1430-1431-1432-1433-1434-1435-1436-1437-1438-1439-1440-1441-1442-1443-1444-1445-1446-1447-1448-1449-1450-1451-1452-1453-1454-1455-1456-1457-1458-1459-1460-1461-1462-1463-1464-1465-1466-1467-1468-1469-1470-1471-1472-1473-1474-1475-1476-1477-1478-1479-1480-1481-1482-1483-1484-1485-1486-1487-1488-1489-1490-1491-1492-1493-1494-1495-1496-1497-1498-1499-1500-1501-1502-1503-1504-1505-1506-1507-1508-1509-1510-1511-1512-1513-1514-1515-1516-1517-1518-1519-1520-1521-1522-1523-1524-1525-1526-1527-1528-1529-1530-1531-1532-1533-1534-1535-1536-1537-1538-1539-1540-1541-1542-1543-1544-1545-1546-1547-1548-1549-1550-1551-1552-1553-1554-1555-1556-1557-1558-1559-1560-1561-1562-1563-1564-1565-1566-1567-1568-1569-1570-1571-1572-1573-1574-1575-1576-1577-1578-1579-1580-1581-1582-1583-1584-1585-1586-1587-1588-1589-1590-1591-1592-1593-1594-1595-1596-1597-1598-1599-1600-1601-1602-1603-1604-1605-1606-1607-1608-1609-1610-1611-1612-1613-1614-1615-1616-1617-1618-1619-1620-1621-1622-1623-1624-1625-1626-1627-1628-1629-1630-1631-1632-1633-1634-1635-1636-1637-1638-1639-1640-1641-1642-1643-1644-1645-1646-1647-1648-1649-1650-1651-1652-1653-1654-1655-1656-1657-1658-1659-1660-1661-1662-1663-1664-1665-1666-1667-1668-1669-1670-1671-1672-1673-1674-1675-1676-1677-1678-1679-1680-1681-1682-1683-1684-1685-1686-1687-1688-1689-1690-1691-1692-1693-1694-1695-1696-1697-1698-1699-1700-1701-1702-1703-1704-1705-1706-1707-1708-1709-1710-1711-1712-1713-1714-1715-1716-1717-1718-1719-1720-1721-1722-1723-1724-1725-1726-1727-1728-1729-1730-1731-1732-1733-1734-1735-1736-1737-1738-1739-1740-1741-1742-1743-1744-1745-1746-1747-1748-1749-1750-1751-1752-1753-1754-1755-1756-1757-1758-1759-1760-1761-1762-1763-1764-1765-1766-1767-1768-1769-1770-1771-1772-1773-1774-1775-1776-1777-1778-1779-1780-1781-1782-1783-1784-1785-1786-1787-1788-1789-1790-1791-1792-1793-1794-1795-1796-1797-1798-1799-1800-1801-1802-1803-1804-1805-1806-1807-1808-1809-1810-1811-1812-1813-1814-1815-1816-1817-1818-1819-1820-1821-1822-1823-1824-1825-1826-1827-1828-1829-1830-1831-1832-1833-1834-1835-1836-1837-1838-1839-1840-1841-1842-1843-1844-1845-1846-1847-1848-1849-1850-1851-1852-1853-1854-1855-1856-1857-1858-1859-1860-1861-1862-1863-1864-1865-1866-1867-1868-1869-1870-1871-1872-1873-1874-1875-1876-1877-1878-1879-1880-1881-1882-1883-1884-1885-1886-1887-1888-1889-1890-1891-1892-1893-1894-1895-1896-1897-1898-1899-1900-1901-1902-1903-1904-1905-1906-1907-1908-1909-1910-1911-1912-1913-1914-1915-1916-1917-1918-1919-1920-1921-1922-1923-1924-1925-1926-1927-1928-1929-1930-1931-1932-1933-1934-1935-1936-1937-1938-1939-1940-1941-1942-1943-1944-1945-1946-1947-1948-1949-1950-1951-1952-1953-1954-1955-1956-1957-1958-1959-1960-1961-1962-1963-1964-1965-1966-1967-1968-1969-1970-1971-1972-1973-1974-1975-1976-1977-1978-1979-1980-1981-1982-1983-1984-1985-1986-1987-1988-1989-1990-1991-1992-1993-1994-1995-1996-1997-1998-1999-2000-2001-2002-2003-2004-2005-2006-2007-2008-2009-2010-2011-2012-2013-2014-2015-2016-2017-2018-2019-2020-2021-2022-2023-2024-2025-2026-2027-2028-2029-2030-2031-2032-2033-2034-2035-2036-2037-2038-2039-2040-2041-2042-2043-2044-2045-2046-2047-2048-2049-2050-2051-2052-2053-2054-2055-2056-2057-2058-2059-2060-2061-2062-2063-2064-2065-2066-2067-2068-2069-2070-2071-2072-2073-2074-2075-2076-2077-2078-2079-2080-2081-2082-2083-2084-2085-2086-2087-2088-2089-2090-2091-2092-2093-2094-2095-2096-2097-2098-2099-2100-2101-2102-2103-2104-2105-2106-2107-2108-2109-2110-2111-2112-2113-2114-2115-2116-2117-2118-2119-2120-2121-2122-2123-2124-2125-2126-2127-2128-2129-2130-2131-2132-2133-2134-2135-2136-2137-2138-2139-2140-2141-2142-2143-2144-2145-2146-2147-2148-2149-2150-2151-2152-2153-2154-2155-2156-2157-2158-2159-2160-2161-2162-2163-2164-2165-2166-2167-2168-2169-2170-2171-2172-2173-2174-2175-2176-2177-2178-2179-2180-2181-2182-2183-2184-2185-2186-2187-2188-2189-2190-2191-2192-2193-2194-2195-2196-2197-2198-2199-2200-2201-2202-2203-2204-2205-2206-2207-2208-2209-2210-2211-2212-2213-2214-2215-2216-2217-2218-2219-2220-2221-2222-2223-2224-2225-2226-2227-2228-2229-2230-2231-2232-2233-2234-2235-2236-2237-2238-2239-2240-2241-2242-2243-2244-2245-2246-2247-2248-2249-2250-2251-2252-2253-2254-2255-2256-2257-2258-2259-2260-2261-2262-2263-2264-2265-2266-2267-2268-2269-2270-2271-2272-2273-2274-2275-2276-2277-2278-2279-2280-2281-2282-2283-2284-2285-2286-2287-2288-2289-2290-2291-2292-2293-2294-2295-2296-2297-2298-2299-2300-2301-2302-2303-2304-2305-2306-2307-2308-2309-2310-2311-2312-2313-2314-2315-2316-2317-2318-2319-2320-2321-2322-2323-2324-2325-2326-2327-2328-2329-2330-2331-2332-2333-2334-2335-2336-2337-2338-2339-2340-2341-2342-2343-2344-2345-2346-2347-2348-2349-2350-2351-2352-2353-2354-2355-2356-2357-2358-2359-2360-2361-2362-2363-2364-2365-2366-2367-2368-2369-2370-2371-2372-2373-2374-2375-2376-2377-2378-2379-2380-2381-2382-2383-2384-2385-2386-2387-2388-2389-2390-2391-2392-2393-2394-2395-2396-2397-2398-2399-2400-2401-2402-2403-2404-2405-2406-2407-2408-2409-2410-2411-2412-2413-2414-2415-2416-2417-2418-2419-2420-2421-2422-2423-2424-2425-2426-2427-2428-2429-2430-2431-2432-2433-2434-2435-2436-2437-2438-2439-2440-2441-2442-2443-2444-2445-2446-2447-2448-2449-2450-2451-2452-2453-2454-2455-2456-2457-2458-2459-2460-2461-2462-2463-2464-2465-2466-2467-2468-2469-2470-2471-2472-2473-2474-2475-2476-2477-2478-2479-2480-2481-2482-2483-2484-2485-2486-2487-2488-2489-2490-2491-2492-2493-2494-2495-2496-2497-2498-2499-2500-2501-2502-2503-2504-2505-2506-2507-2508-2509-2510-2511-2512-2513-2514-2515-2516-2517-2518-2519-2520-2521-2522-2523-2524-2525-2526-2527-2528-2529-2530-2531-2532-2533-2534-2535-2536-2537-2538-2539-2540-2541-2542-2543-2544-2545-2546-2547-2548-2549-2550-2551-2552-2553-2554-2555-2556-2557-2558-2559-2560-2561-2562-2563-2564-2565-2566-2567-2568-2569-2570-2571-2572-2573-2574-2575-2576-2577-2578-2579-2580-2581-2582-2583-2584-2585-2586-2587-2588-2589-2590-2591-2592-2593-2594-2595-2596-2597-2598-2599-2600-2601-2602-2603-2604-2605-2606-2607-2608-2609-2610-2611-2612-2613-2614-2615-2616-2617-2618-2619-2620-2621-2622-2623-2624-2625-2626-2627-2628-2629















# Fate of nation hangs on ujamaa experiment

by Alan Rake

The success of Tanzania's ujamaa experiment is crucial to the future of the country. Cooperative and communal production methods have been demonstrated successfully in China, but in Africa there is no example of such a system even being attempted.

Tanzania has not only embraced the idea of village collectives and cooperative production, but has staked its future on the success of the experiment. If it fails, it could spell national disaster, which is what is waiting to happen if things work out in Tanzania, will be forced back to traditional methods of agriculture which have proved disastrous in the 15 years since independence.

The fate of ujamaa will determine the success or failure of communal and cooperative farming and the ability to reverse the decline in agricultural production in most African countries.

President Nyerere sees ujamaa as a social experiment that will affect the way of life of the 15 million people. He thinks they will be happy living communally, sharing work and play, and being grouped together so that their needs can be provided for them. Ujamaa means that for the first time many villages receive housing, water, electricity, health care, education, good agricultural advice, better seeds and assistance in marketing.

Ujamaa in the traditional Swahili means "familyhood", but in its new rural sense it means socialist communal or cooperative village organisation. President Nyerere first announced his ujamaa concept in a paper, *Socialist and Rural Development*, immediately after his famous Arusha declaration in 1967. But the policy of grouping people into villages went ahead first on an entirely voluntary basis and proceeded slowly. By the end of 1971 there were only 800,000 people living in 3,200 villages.

After droughts in 1972 and 1973 a massive drive to get the population into villages started late in 1973. The programme was supposed to be completed within two years, and in mid-1974 it was intensified.

Another campaign was launched under the slogan "food for life and death". People were urged to grow their own foodstuffs and to save imports, which reached \$60m in 1974.

Considerable confusion exists over ujamaa because it is often thought that all people living in Tanzania live in ujamaa villages. In fact they are still a minority. The best estimates of today's figures are as follows: About 1,500,000 Tanzanians live in traditional villages. At least two million people live in approximately 4,000 non-ujamaa villages. These people have been grouped together as part of the ujamaa programme started in 1973, but they have not yet had time to develop communal and cooperative farming of the ujamaa type.

Finally, there are about three million people in 7,500 ujamaa villages. But there are a number of variations, which some villages putting effort into communal land and others where villages only work a few days a week on the communal land and spend the rest of the time pursuing more extensive private holdings.

According to Mr. Joseph Mungai, Minister of Agriculture, about 50 per cent of the population is grouped into ujamaa villages. Yet, according to targets set in 1973, the entire population (90 per cent of the total) would be in villages by the middle of 1976. This means that even by 1977 there will only be about five million in ujamaa villages compared with about 3,500,000 in non-ujamaa villages.

The programme has slowed considerably since 1973. At first some district commissioners, desperate to fulfil their programmes faster than their rivals, used compulsory methods.

The government-owned *Daily News* told what happened: "There are reports which almost invariably tell of people being moved with very little of the prior planning envisaged by the party conference."

"Some correspondents tell us of certain cases where people have been transported from villages into the ujamaa villages, and left to fend for themselves under conditions in which even the most ardent would find it difficult to cope... There are even reports of property being destroyed... enthusiastic leaders have overplayed their hand... they have caused a serious drop in food production by failing to determine when moving would not interfere with this."

The more humane and cautious commissioners are still putting their programme and the violence of the early days which aroused the anger of President Nyerere is long since past.

At one stage the World Bank became concerned about the reckless pace at which the villages were being put through and in a report of October 1974 the bank asked for the programme to be slowed down. But by then the Tanzanian authorities were already adopting a more relaxed approach.

Since that time the World Bank has demonstrated its long-term faith in the ujamaa concept. The bank was disbursing about \$20m a year on ujamaa projects until 1973, but in 1974 a total of \$120m was committed. One project which has just started at Kigoma, one of the poorest areas in the country, workers had to be mobilised to cope with drought.

This year the rains from April to June have been much better, except in areas like Arusha in the north and in parts of central Tanzania. But overall the rains have improved. The Masai have sufficient flesh on their cattle to market them and the marketable maize surplus, which was about 20,000 tons for the whole country last year, is expected to be about 100,000 tons. That is not a record, but is the best since the early seventies.

There were other reasons for declining production in the seventies. Agricultural investment had been low and far too much emphasis had been placed on cash crop production for export. The management of producer prices had been poor and price reviews were not based on longer-term strategies.

Recently the World Bank and other aid organisations which have helped Tanzania through the crisis have been pressing for higher prices on the grounds that it stimulates farmers' production and spreads wealth in rural areas where it is needed.

The trouble was that if Government was also struggling to hold down price rises in the town, there was a division in TANU Nationalism as to whether the country could afford to pay the farm more, but there have been at least five price reviews in which almost all producer prices have been substantially increased.

It is still early to judge the results of the year's harvest are known the dislocation caused the programme is still in itself felt, even though the process is no more than half complete.

The author is editor, *Africa Development*.

## NDC's 22 companies offer a wide range of products for home and export market.

For further enquiries to:—  
The General Manager

### NATIONAL DEVELOPMENT CORPORATION

DEVELOPMENT HOUSE  
P. O. Box 2469, Tel. 26271,  
Cables: NATDEV Telex No. 41068  
Dar es Salaam, TANZANIA



## Vast resources, little cash

Tanzania's chief resources, as its leaders frequently point out, are its people and its agriculture. Under the second Tanzanian five-year development plan the mining industry was scheduled to contract, with the value of output falling from 284m Tanzanian shillings in 1967 to 128m sh in 1973. In fact, however, at about 115m sh, a mere 4 per cent of Tanzania's total exports and a meagre contribution in a year when the country was running up its largest balance of trade deficit.

The issue is not that Tanzania does not have mineral resources or plans to exploit them, but that vast investments are needed in their exploitation. Tanzania is a huge country covering some 343,000 sq miles with a thick spread population of more than 15 million. Any mineral development has to overcome the difficulty of extended communications and low concentrations of population.

The third Tanzanian development plan, which should have started last July, has been postponed until the country's economic situation improves and most of the big mineral developments have been postponed with it.

Much publicity has been given to discoveries of large deposits of iron ore, with reserves of 130 million tons at Chunya in south-west Tanzania near the Zambian border and on the route of the new operational Tanzam railway. The iron ore is said to have a 49 per cent iron content and 13 per cent of titanium dioxide.

Thirty miles away, south of Mbeya on the edge of the Tanzam railway line, coal has been discovered at Ketowela-Mchuchuma where reserves are estimated at 200 million tons.

These deposits are expected to lead to a steel industry based on the iron ore and development of the coal deposits for use by the steel industry and for export as coking coal.

The first discoveries were in 1971 and then came reports that China had agreed to finance a 500,000 ton steel mill and to build a rail spur "starting sometime in 1975" to link the deposits to the Tanzam railway.

The iron ore at Chunya was considered suitable but the exact location of the best deposits of coal had not been established. Tests on the coal had not been completed and it was not clear whether it was suitable for coking, as the Chinese could not possibly start building their rail spur until these preliminary operations had been completed.

So mineral operations in the south-west are still years away but the potential remains. It is significant that *The Economist Intelligence Unit*, when making a four-volume study published this year, forecast exports from Tanzania of 100,000 tons of titanium ore and 100,000 tons of kaolin by 1990.

At present diamonds are by far the most important minerals. In 1974 they constituted 115m sh of mineral exports, but this was only just over 4 per cent of Tanzania's total export earnings.

Unfortunately, the diamond production from the Mwadui diamond mine has been on the decline since the late 1960s. John Thoburn Wilkison first discovered diamonds in 1920 in the middle of the African bush about 90 miles south of Lake Victoria but since then no other discovery has been made in the whole area.

Production is being held steady but diamonds, which once formed 11 per cent of Tanzania's exports at their peak in 1967, are now less than 4 per cent. The chances of any more discoveries lie in the realms of hope rather than probability.

But prospects are rather better for a number of minor mineral contributors. The Government has recently taken over the gemstone business. It has boosted the sale of semi-precious stones (particularly of Tanzanite, a recently discovered blue stone found only in Tanzania) and these have become the second most valuable mineral export in recent years.

The State Mining Corporation is soon to start production from the Buck Reef Gold mine in the Geita area. Production in the area had stopped in the early 1960s and small-scale operations in other parts of Tanzania were nearing exhaustion by 1963.

The new mine will be able to produce a small but steady source of revenue to take advantage of higher world gold prices.

World production, which was earning some 8m sh a year, will be much increased by the expansion of the Nyanza salt plant in central Tanzania, which was completed in 1974.

Prospecting for oil and gas has been continuing since 1954. Shell-BP searched for 10 years and spent \$6m, concluding that neither oil nor gas existed in commercial quantities. The Italian Agip company then took up the challenge and signed a 30-year agreement to prospect along the entire coastline on a belt stretching 100 miles inland and 50 miles out to sea.

In 1973 the American Amoco company became so interested in the prospects that it bought a half share in the Agip concession for \$20m, two and a half times the amount that Agip had originally spent.

The Agip-Amoco consortium drilled one dry well but then, on American partners' advice, they drilled a second hole at Songo Songo island in the Rufiji Delta. Nothing has been found since, but the consortium is guardedly optimistic that there has been talk of using the Rufiji island gas to provide teststock for the Tanganyika fertilizer factory.

Despite the manifold mineral prospects, Tanzania's prosperity for many decades ahead must rest with its traditional agricultural exports. Government policy is to process its agricultural raw materials as much as possible locally, but for many years ahead traditional cash crops will continue to provide the main source of national earnings.

When the drought hit Tanzania in 1973 and 1974 the priority was to grow more food and the Government launched its "food production" campaign. It was a matter of life and death to grow maize. As a result, there was a switch from cash crops, for example, was extensively planted on cotton lands—unfortunately, with generally disastrous consequences.

Production of cotton, which has been the main export earner, has led the Government to push up farmers' prices. The success or failure of this policy will be shown for the first time in this year's harvest. Meanwhile, the Government has announced prices in August for next year's crop which in some instances pushes prices above world market levels.

Cotton, coffee and sisal are by far the most important foreign exchange earners, accounting for about half of the export earnings between them.

Unfortunately, coffee has been affected by coffee berry disease and by irregular rainfall in the Arusha-Kilimanjaro region. Production is hardly expected to hold its own, although exports will be assisted by dramatic increases in world prices since the Brazilian frosts.

The cotton harvest is expected to be poor (possibly 71,000 tons compared with 71,000 tons last year). This is because of poor planting last season and switching to foodstuffs. But planting this year is a record and the Government has launched a new cotton scheme to try to ensure that all villagers get fertilisers and spraying facilities.

Although sisal has been a main export earner in the past, its use in string and ropes is declining in the face of synthetics. Tanzania has accepted this and has decided to phase out the crop, despite the fact that sisal prices rose to \$1,000 a ton in the commodity boom of 1973-74. Prices are now back to \$400 a ton and production is expected to be lower this season as farmers cut less of this crop, which demands much physical energy in harvesting.

Instead, diversification, production of pyrethrum (for natural insecticides), tea, tobacco and cashew nuts is expected to be significantly up this year compared with 1974.

In cashew nuts Tanzania is the second largest producer in the world. The crop is of high unit value and has a great future, but hitherto the greater part of the Tanzanian crop has been exported in nut form to India where it can be processed by hand. Surprisingly, cashew levels in Tanzania, one of Africa's poorest countries, are still so much above world levels in India that this trade remains worth while.

But Tanzania is determined to process more nuts locally and, with World Bank assistance, is establishing a cashew processing plant, to be completed by 1980, 40,000 tons or 40 per cent of the crop can be processed at home.

## Nationalism comes first

continued from page 1

essentially a common market he suggested an extra "transfer tax" on Kenya goods, inter-state quotas and special preference by the East African Development Bank for Tanzania and Uganda when making loans for industry. He also suggested that some corporations should be moved away from Nairobi to Dar es Salaam and Kampala.

The recommendations were broadly accepted and Kenya v. Uganda were broadly continued. East African trade continued to grow and flourish but in most other aspects things soon began to go badly awry.

The political advantages of the community are clear and the leadership of the three countries is regularly professing belief in the community and its complex benefits of cooperation have not been able to withstand the forces of nationalism in the three countries. The local press and sometimes prominent leaders themselves.

In a moment of exasperation even Charles Njonjo, Kenya's Attorney General, and a prominent member of Kenya's inner circle of advisers, said: "Kenya does not want the community."

It is economic and political reasons for today's impasse. President Nyerere of Tanzania lays emphasis on the almost exclusive of the political differences. Speaking recently he said that the main difficulty of the community was "the difference in policies of the three governments to escape from the even further, saying that the differences were the sole reason for making the community corporations unstable."

Tanzania pursues a basically socialist policy based on village collectives and state ownership of the important parts of the economy. It is experimenting with an advanced agricultural-socialist system of development in Africa. Kenya, instead, has placed its faith in a largely capitalist system and is encouraging the private sector. But even more important are the African realities. Kenya is becoming increasingly insular in its approach to regional issues, Tanzania's political and economic interests are shifting towards similar-minded governments in the south (Mozambique and Zambia) while Uganda, in the words of Kenya's *Weekly Review*, "is bogged down in problems of support she can offer the community."

Tanzania is indeed looking south. It was unable to get ministerial confirmation of a story which was repeated from many reliable sources in Dar es Salaam that meetings of the Cabinet and the National Executive Committee of the party had already recommended Nyerere to break with the East African Community and instead form an economic union with Mozambique and possibly Zambia. This may represent a long way to forge a special relationship with Mozambique, but President Nyerere paid a state visit at the beginning of September and set up a permanent commission of

cooperation "which will enable the economies of two countries to complement each other". The commission is also to ensure "mutual benefits" and to guarantee the liberation of the community's dependencies from imperialist dependencies that would strengthen a revolutionary process. It would be unthinkable to such revolutionary philosophy to be written into a reviewed treaty with Kenya v. Uganda.

Tanzania and Mozambique have also agreed to represent each other diplomatically in countries where one of them is not established. Despite Tanzania's natural desire for links with the south and Zambia must be included, attached as it is to the unbalanced cord of now completed Tanzania v. Kenya. The differences alone are still not sufficient reason for the East African Community to break up.

Fundamentally it is a question of economics. It has brought the community to the brink of self destruction. The review commission, which has just been pointed must do a good system where all can benefit by staying together.

The economic truth is that Kenya is industrially more advanced and dominant in trading than its neighbours. Using its financial advantage to escape from the crux of almost any community difficulty.

The same type of a situation has taken place in the past. Though Dar es Salaam headquarters under treaty, ports in the countries and buy their requirements accordingly. Kenya's national policy is to keep their employees from Dar es Salaam and have been recruited in Mombasa. The position has been bad in past telecommunications. Kampala is the nominal headquarters but a permanent organization has been in Nairobi.

The community's conditions are physically centralized that it is a question whether it is a union with the community. By the time it is ready, the community already has foundered. It is only the small, but already has foundered. It is only the small, but already has foundered. It is only the small, but already has foundered.

The Diamond Trading Company (Pty) Limited, which has had a long and happy relationship with Williamson Diamonds, welcomes His Excellency President Mwalimu Julius Nyerere of Tanzania to the United Kingdom.



A Special Report to mark the three-day state visit by President Nyerere, which begins tomorrow

# Tanzania

A step forward for two countries out of step for a decade

by Denis Taylor



Nyerere: Every human being on this planet has a world.

President Julius Nyerere's visit to Britain underlines the efforts now being made to improve understanding between two Commonwealth countries which spent much of the last decade out of step. Dr Nyerere has just been elected to a fourth term of office which, at the age of 53, he hints may be his last.

The British handling of the Rhodesian unilateral declaration of independence in 1965, during Mr Wilson's first administration led to Tanzania breaking off diplomatic relations. These were restored three years later, but the atmosphere became chilly in 1970 and the following year as a result of the Conservative Government's proposal to sell arms to South Africa. Feelings were again exacerbated by nationalisation measures in Tanzania, which mainly affected British interests.

In a recent interview with *The Times* in Dar es Salaam, Dr Nyerere acknowledged criticisms of delays in paying compensation. "We did not always pay on the date, because some of these industries that we took over did not have much ability to pay."

"But I think both the British Government and the firms know that when we say we will pay we mean it. There have been some delays, but I think that the problem is no longer a pressing issue as at one time it was. I think you British even tried to stop us getting money from the World Bank problem of the compensation."

Asked if he would seek

more British aid during his visit, in addition to the £10m already offered to Tanzania, he replied: "No, we do not press countries, especially individual countries, for aid." He summarized his own philosophy on international wealth and poverty. "Frankly I do not like the idea of aid at all. The rich do not aid the poor in Tanzania. We tax the rich just to establish a balance. In the world, of course, because we do not have this state authority it is regarded as aid and the receivers are supposed to be very grateful. My own view is that every human being on this planet has a right to the world. He has the right to food, to education, to good health, to housing and, if we do not have a world government, at least we have a kind of international ethic. We could if we wanted establish conventions which transfer resources from the rich to the poor as a matter of right, not as a system of begging."

He thought relations between Tanzania and Britain depended on specific issues rather than on whether a Labour or Conservative government was in office. But he assumed there was now greater understanding between "a country which was boss at one time and another, which was a colony."

Rhodesia had obviously been discussed during the President's meetings in London. Tanzania has no common border with the colony, but is the headquarters of the Africa's guerrilla movements; and the Tanzanian leader is perhaps the most articulate black politician in the continent.

He indicated that he had not made up his mind on the precise attitude he intends to take on the Rhodesian issue during his stay, but he emphasized his faith in the effectiveness of economic measures against the Salisbury regime. In spite of the continued supply of goods to Rhodesia from South Africa, sanctions were very happy if sanctions were removed. One option would be to ask Britain to intensify sanctions.

The President no longer believed that a constitutional conference on Rhodesia for which he had once pressed could produce results. The situation might have been clarified if Britain had called such a meeting. That would have been much better than the talks at Victoria Falls involving black and white Rhodesian, South African and Zambian leaders. Those discussions he described as "almost absurd" and "a desperate last attempt to see if something could be salvaged."

He explained: "I believe the answer now is guerrilla fighting." Reaching with laughter at the thought, he said: "I cannot ask the British for arms. I wish I could. I tried at Kingston. I told Mr Wilson and Mr Callaghan very frankly that it was no good being keen on talks without the circumstances which could make these talks productive." Dr Nyerere emphasized that he had not expected the British to provide guns or money, but he had raised the point to make the issue clear.

"It is as a result of pressure that we are going to get negotiations." Independence for Tanzania's southern neighbour, Mozambique, did not entail any switch in Tanzania's policy of support for African guerrilla organizations. "Our position does not change except that we feel a little bit more confident now that Mozambique is independent. We shall play the same role helping the liberation movements based in Tanzania until they have liberated their countries."

President Nyerere is a conspicuous critic of President Amin, whom he has condemned as "a black fascist" and "murderer." As well as this feud with Uganda, the Tanzanians have experienced friction with Kenya, the third member of the East African Community. However, he said: "In spite of everything I do not think there are three other states in Africa which work more closely together. If there is conflict it is because we work so closely together."

Discussing Zanzibar, he argued that the toleration of difference was a condition of unity. "The fact that Zanzibar has different laws from the union does not matter. The limit matters. What kind of laws? Do they conflict?"

On his refusal to send for trial in the island those accused of conspiracy to overthrow the Zanzibar Government in 1972, he said: "My problem is not the

people's court. It is the whole process of the trial, the whole fairness. It is a matter of justice." Fourteen people held in Tanganyika for more than three years were sentenced to death in Zanzibar. Asked how he justified the continued detention of these prisoners, he said: "These cases are being reviewed. How does the release of the people on the mainland help the proceedings?" Last week Zanzibar confirmed 10 of the death sentences.

He would not say there were no injustices on the mainland, but he thought some of the anomalies in Zanzibar were "more glaring." He admitted that there were abuses in Tanganyika of the Preventive Detention Act, under which a person must be notified of the reason for his arrest within 15 days.

It is known, however, that those detained without trial on the mainland include cattle thieves as well as some political prisoners. On the merger of the two single parties which he is now advocating, his Tanganyika African National Union and the Zanzibar Afro-Shirazi Party, President Nyerere suggested that the slow progress of the movement of separate governments. Emphasizing the logic of fusion, he said: "Either you merge or you drop the one party system completely and accept the multi-party system."

The time would come in Tanzania when the problem of a single party would be genuine. "It would have been genuine now if Tanu were not Tanu—and here I am boasting. The party founding father."

meets and says by 1977 every child must go to school. Fourteen years of independence and barely half of our children are in school. I do not need an opposition for that." Tanu might not be the best party in Africa in terms of ideological clarity. "But we are everywhere as a party. Our party structure is all pervading. When we make a mistake we make a mistake everywhere. But the leadership does not have a complete monopoly of knowing what needs to be done. The public has some understanding of what needs to be done, so while the distortions are there, the questioning is also there."

"Our big problem is speed. Some features (of the enforced village planning programme last year) worried me very much. But the pressure to move into villages does not worry me. The point came when we had to apply a little pressure. Some things a government has to do."

"I think for 12 years we explained what we were going to do. Naturally some mistakes have been committed, some mistakes of planning. His complaint was with the slow progress of the movement towards socialism. "But we have the foundation," he said. Dr Nyerere has hinted on a number of occasions that he might not wish to retain the presidency after 1980, but maintains he has served his country and the problem of finding a successor should be open for discussion. But he added: "It is very difficult to get rid of the party founding father."

## valuation makes self-aid imperative

country attempts to develop and encourage farmers to use oxen rather than tractors. The financial value of the oxen exchange to about 200m and £1.8m. As with other very poor countries, the energy crisis fed back an increase of between 30 and 40 per cent in the cost of manufactured imports. According to an official survey, the Government is trying to bring the overall inflation rate down from 20 to 15 per cent. Inflation in the food price index has been as high as 50 per cent. But one independent view is that the domestic inflation rate for this year will average 30 per cent.

In spite of aid from Kuwait, the feeling in Dar es Salaam is that the oil producers have not done nearly enough to protect black Africa from the results of their price rises. At the start of the 1970s Tanzania enjoyed an annual growth rate of about 4 per cent. Last year it was only 2.2 per cent and with a population increase estimated at 2.7 per cent, per capita income was falling. The official Economic Survey identified a structural difficulty familiar in Britain: the directly productive sectors such as agriculture, manufacturing, mining and construction were making a declining contribution to gross domestic product, compared with the service industries.

The extent of agricultural dislocation in a country like Tanzania, which is almost four times the size of Britain and unevenly populated, is difficult to establish. Fears of famine prompted the campaign of *Kilimo cha Kufa na Kuwona* (Agriculture as a Matter of Life and Death) at the beginning of this year. The Economic Survey describes as "very encouraging" the effects of this pressure to get everyone growing food. But independent assessments of the combined results of the enforced ujamaa programme and the neglect of cash crops like cotton to grow food are much less sanguine. President Nyerere last month toured rural areas to exhort farmers to produce more of both types of crop, thus demonstrating official concern about the way the "life and death" slogan was being interpreted.

Tanzania's weakness on so many fronts both emphasizes the troubles it faces in trying to become self-reliant and makes that goal seem even more important. The country is statistically one of the 25 poorest, but has survived adverse weather conditions without the ravages of Ethiopia, the Sahel or Bangladesh, and apparently suffers fewer inequalities than many other richer African and Asian societies. In spite of the present phase of economic stagnation, Tanzania is a country for which the adjective "developing" is not an outrageous misnomer.

Instead of being seduced by visions of giant steel mills and nuclear reactors, Tanzania is attempting with varying degrees of success to create an economy concentrating on meeting basic needs, food, water, shelter and clothing and supported by simple health, education and transport facilities. One aim is to process

enough Tanzanian cotton to satisfy the domestic demand for textiles and to export any quantity left after satisfying this market. Self-sufficiency is also the objective for such basic manufactures as cement, bricks, glass, farm implements and paper.

Tanneries and leather goods are being encouraged and it is hoped to process all local hides and skins in Tanzania by the end of 1977. Another economy is to turn scrap metal into billets for steel rolling instead of relying on imported billets. The high prices of such raw materials as phosphates and plastics have been incentives to develop local industry.

Tanzania is short of money, technology and adequate management. There is room for debate about the opportunity for private foreign investment in an economy in which commerce and industry are so heavily controlled by the state. There seems little future for the Asians, once the backbone of the trading community here as elsewhere in East Africa. But there also seems little likelihood of a racial campaign to get those who remain to leave. There is still some overseas capital in Tanzania, but the scope for high equity stakes is limited, and the repatriation of dividends is restricted. But foreign investment is said to be welcome and there are clearly opportunities for consultancy and the supply of machinery, technology and management.

## Nationalism put before political advantage

For many years the East African Community has been stumbling from crisis to crisis. Tensions between the three partner states reached another peak of vituperation a few months ago, when the press of Kenya and Tanzania was unleashed by the respective governments, to indulge in a merciless war of words and recrimination. The very foundations of the community have been shaken because states refuse to pay the common organizations, like the railways and the harbours, the money they are owed. Workers are evicted from neighbouring countries and sent home sometimes without time to pack their belongings. And prominent politicians and ministers have gone on record to say that the time has come to bring the community to an end.

The atmosphere improved a little in mid-October when the three East African heads of state, Presidents Amin, Kenyatta and Nyerere, who form the East African Authority, approved the terms of reference of a review commission whose task is to find out why the community has not been working properly and make recommendations to put matters right. Mr William Domes, president of the Caribbean Development Bank, has been appointed chairman of the commission which has been instructed to

Foreign firms should remember that there are no prospects for luxury consumer goods.

Tanzania is heavily dependent on foreign aid and has been favoured by the international agencies and states of all political complexes. Estimates for the financial year ending 1975-76 put the total of 55 per cent of the national development programme through grants and "soft" loans.

Britain remains Tanzania's most important single trading partner, but overall the first place is held by the EEC. Britain retained its position despite a temporary breaking of diplomatic relations. The rise of China to leading exporter followed the provision of cheap consumer goods to offset the costs of the Tanzam railway.

The pattern of trade has increasingly been in Britain's favour. According to government statistics in Dar es Salaam, exports to Britain last year were 404m shillings with diamonds, sisal and tobacco the main commodities. Imports reached 605m shillings. That pattern continued during the first four months of 1975, with Tanzanian exports recorded as 120m shillings and imports as 221m shillings. Tanzania offers Britain a market for vehicles, machinery and equipment, including simple implements. New deepwater berths at the port of Dar es Salaam should ease congestion there.

D.T.

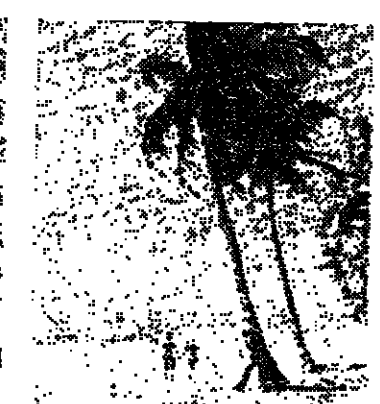
## East African Airways - your guide to exciting Safari Country



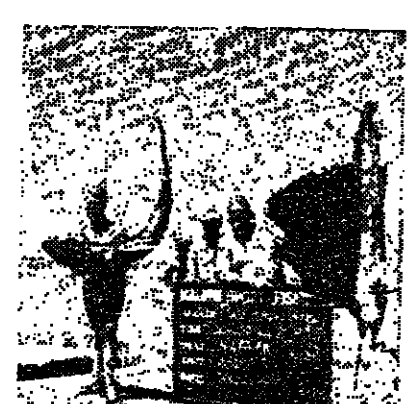
**Climb the highest mountains!**  
Climbing Africa's highest mountains are tempting expeditions, even for the novice. Climb easily with a professional guide to the snow-capped peaks of Kilimanjaro, Ruwenzori or Mt. Kenya. Guides, porters, food and equipment can be hired.



**Come with us to the biggest wild game country in the world!**  
East Africa's twenty-three national parks and game reserves offer thirty-five thousand square miles of unspoiled grandeur. They contain some of the world's highest mountains, largest lakes and vastest plains. They are filled with the greatest concentration of wildlife on earth. Accommodation at lodges is first class.



**Fly away to that Africa' shore!**  
Lamu, Malindi, Mombasa, Tanga, Zanzibar, Dar es Salaam. A coast of many charms—pearl white beaches, breeze-cooled palm groves and warm coral sea. A land of civilized gentle people, beautiful hotels and magnificent amenities. Vasco da Gama called it "the gentle coast". Beach hotels are inexpensive.



**We'll fly you to some of the world's most exciting fishing venues!**  
Marlin, Sailfish, Shark, Barracuda—some of the sport fish that make the Indian Ocean off East Africa a big game fishing paradise. Huge Nile Perch and vigorous Black Bass provide excellent sport on East Africa's lakes, while Brown and Rainbow Trout abound in the mountain streams.



**Choose your kind of holiday from all that Safari Country can offer.**

Four new booklets on East Africa's fabulous coast, game parks, fishing and mountain climbing give a comprehensive guide to what could be the holiday experience of a lifetime. Copies are available at all overseas offices of East African Airways. East Africa's fabulous fishing. East Africa's magnificent mountains. East Africa's game parks and reserves. East Africa's glorious coast.

**EAST AFRICAN The Safari Airline**  
Offices also in Athens, Birmingham, Copenhagen, Frankfurt, Glasgow, Paris, Rome, Zurich.

Start the great adventure now: fill in the coupon and mail it today for more information about East Africa's Safari Country, or contact our U.K. general sales agent, Aer Lingus.

To: Tours Office, East African Airways, 46 Albemarle Street, London W1X 3FE. Please send me information about East African Airways' fabulous tours programme.

Name \_\_\_\_\_  
Address \_\_\_\_\_







## by Denis Taylor

Shirazi, parli-  
nvasion, now a re-  
spondence from  
to 70 per cent  
d self sufficiency  
by the same

men met at a  
concentration of  
al materials will  
annual saving of  
iving more than  
of the country  
and island authorities  
unwilling to share  
res.

is, compulsory  
age of five to 15,  
is medical com-  
pensation is  
years, the first  
which was built by  
any in the 1960s.  
The contrast is  
Within 15 minutes  
alk from scores of  
Islamic, Jewish,  
ence to what  
e of a suburb of

anders watch the  
r television service  
Africa, inaugurated  
his anniversary  
now anniversary  
of 19 have been  
to Afro-Shirazi  
Many people see  
ies only in black  
because their sec-  
ed by factories.

f the fawing is  
al activities, per-  
sion, Zanzibar  
all scale, but one is  
ware of the party  
a society where  
no legislative elec-  
ynonymous with  
ent and own of  
lustr and most of

ing. He said there had been 11  
plans to overthrow the Gov-  
ernment since 1964. He ad-  
mitted that 10 people had  
been executed after secret  
trials by special military  
and other courts. But added  
that if after this 10 people  
remains "only 10 people  
very small number."

Officially, Zanzibar no  
longer has prisons, but re-  
habilitation centres;  
although these use the old  
prison buildings.

According to reports  
reaching the outside world,  
five men have died as a re-  
sult of torture and solitary  
treatment during interroga-  
tion linked with the trason  
trial after the killing of his  
predecessor.

When I put this to him,  
Shaikh Jumbe said: "The  
news to me." He conceded,  
however, that one of the can-  
cer named had died from  
in the detention  
Sources also say that one  
man was cancer victim, but  
alleged that he was given  
medical treatment while in  
detention.

There is an apparent con-  
flict over his identity.  
According to independent  
sources he was Muhammad  
Saghir, but was told that  
the meeting with Shaikh  
Jumbe and his advisers that  
the man concerned was  
Abbas Mohammad Ahmed.  
What is common to both ver-  
sions is that Abbas is dead.

In my presence, Shaikh  
Jumbe asked "How many  
entourage?" One, Abbas,  
I know. This is the one who  
died of cancer. The other  
died who died ... they all  
another in the hospital here, and

Dar es Salaam are colla-  
teral defendants.  
treason, but more  
was claimed by some  
the accused in court.

Nine of those arrested  
Zanzibar were condemned  
death in May 1973.  
ments by them were us-  
ed as evidence  
to prosecute the  
trated their original  
ments, claiming that  
were extorted by torture.

In his final defence,  
cancer, Wolfgang de  
Zanzibar attorney ge-  
neral said: "The question  
of firstly arises is are  
statements admissible  
law? The question is then  
this question is there  
know that would be inadvis-  
in some systems of k  
system has no bar to  
missibility of such  
ments."

"Your honour will  
that I am conceding  
form of arm twisting  
adopted in order to  
these statements. It was  
dishonest on my part  
were so subject to  
know that in some  
the world the same  
worse tactics were  
adopted and then  
would be brought  
to high court that  
of a sort took place  
The attorney gen-  
eralled to the Eng-  
lish chief justice  
considered appeal  
trained in Yugoslav  
the state prosecu-  
tive arguments  
use of defences  
that the people are  
are fairer than  
which allows only  
rich minority re-  
venge and more  
evidence is  
the police.

## by Alan Hutchison

Local costs of Tanzania amounting to about half the total, were financed by the sale of Chinese goods to Tanzania and Zambia; the result, China has been Tanzania's main supplier and well and truly established itself in the two markets. China has also a

Tanzam passes through the Kilombero Valley, already being talked of as a possible "rice bowl" and through potentially rich agricultural areas in south-west Tanzania. China has also made an ad-

The Chinese example has not been lost on the political leadership. His first visit to China in 1965 convinced

are outweighed by the many positive advantages, and until evidence surfaces to the contrary we shall have to take at face value this unique friendship between "most unequal equals".

A map of East Africa showing the borders of Kenya and Tanzania. Mombasa is marked on the Kenyan coast. A ship is depicted in the Indian Ocean to the east. The letter 'W' is visible in the bottom right corner of the map area.

# Which Way

More by the way, I was down  
dearly, and I was down  
knees recently on the  
nah and elbow-de-  
African cow dung. It  
me then—as you  
stuff bare-headed or  
soil and grinned at  
back at the black fac-  
ning across at me—  
the days when we were  
off as a primitive sav-  
African peasant was  
to understand.

They have a saying  
zanias: "On the first  
of his stay, give you  
hospitality. On the first  
give him a hoe."—  
dung, and not a hoe—  
case because they were  
to harvest the millet  
is one of those who  
read about on  
packets, but it is  
many hard-working  
idle canaries. Before  
harvest millet you  
pare a stretch of  
the threshing. In  
earth, they pat-  
plained, was too  
dusty; sometimes  
put down to bind it  
thing might one  
place where there  
nothing?

Mwomwomshela  
Tanzania, where I  
in question took  
clay settlement  
Sukuma tribe.  
famished disaster  
is just a small com-  
charming folk  
of surviving until  
happen always  
Folk so pleasure  
easily forgets the  
a land not  
of scarcity, of rap-  
of education and  
health, strength-

bables die before the population is un-  
der 25. So fertile brides  
on a price on their heads  
on the one hand; and on  
the other, the Sukuma have  
developed a complementary  
inequality policy—cattle.

The Sukuma's cow world  
make a British farmer weep.  
It is a stunted,  
backed creature that neither  
produces milk nor is bred  
for beef. Its stringy flesh  
is not eaten until the animal  
expires upon the ground. Yet  
hide is not tanned for lack  
of water, even its dung  
is handy for threshing-  
grounds—is rarely used. Yet  
it tramps in great herds  
across the savanna, readily  
overgrazing the land.


Why is this? Because when  
the crops are devoured by  
locusts or rotten with mildew,  
consumed in houses by rats  
or purchased nothing by  
the parching sun, the cow re-  
mains—mangy and lean per-  
haps, but on the hoof.

Why is this? The poor world is not  
like a chess player who has  
lost the game with balls  
in his pieces missing from  
board. There is nothing to  
spare. Survival itself is auto-  
matically set as the stake.

The Sukuma play not  
with but to survive. A  
elaborate strategy against  
risk, perils and circum-  
stances that threaten to  
mould their civilization  
defined their world-view  
made of them a people  
however charming or un-  
kind, dramatic find  
different from ourselves.

V.-J.

BY THE GREAT  
NURU RAILWAY  
THROUGH THE  
PORT OF  
MAR ES SALAAM  
OF COURSE!



AFRICAN HARBOURS  
s for Eastern  
Africa  
Mombasa, Tanzania  
1212 Grams: PORTREEVE

P.O. BOX 9202  
 DAR ES SALAAM. A member of **MDC** group of companies  
**Annual Meetings in the New Year**  
 as a main board director and  
**Meeting at the Forestry Commission**  
 on January 1 in succession to  
 Mr P. Nicholls.  
**GUS operates over 2,500 Mail Order and Retail Establishments in the U.K. and Overseas**  
**331,574**



# SOCIAL NEWS

The Queen and the Duke of Edinburgh will visit Britain's Interbuild, the International Building and Construction Exhibition, at Olympia on Wednesday.

At 10.30 a.m. on Wednesday, the Queen and the Duke of Edinburgh will visit the exhibition, which is being held at Olympia, London, from November 17 to 21.

## Birthdays today

General Sir Philip Christison, 82; Sir Christopher Cox, 70; Sir Patrick Hamilton, 67; Sir Isaac Hay, 65; Sir Arthur Kelly, 77; Field Marshal Viscount Montgomery of Alamein, 88; Sir Reginald Pearson, 78; Lord Folkestone, 59.

## Marriages

Mr S. Marcar and Miss S. Housgassan. The marriage took place on Saturday, November 15, at St. John's Roman Catholic Church, Kingston Hill, Surrey, of Mr. Stephen Marcar, younger son of Mr. and Mrs. Gregory Marcar, of Kingston Hill, Surrey, and Miss S. Housgassan, daughter of Mr. and Mrs. S. Marcar, of Kingston Hill, Surrey.

## Dinner

Garrick Club. The members of the Garrick Club held their annual dinner at the club on Saturday, November 15, when the guest of the club was the toast of the evening, Sir Robert Gifford, 80, who was presented with a silver cigarette case by the club.

## Reunion dinner

R.A.F. Airfield Construction Officers' Association. The R.A.F. Airfield Construction Officers' Association held a reunion dinner at the R.A.F. Club, Piccadilly, on Saturday, November 15, when the guest of the evening was the toast of the evening, Sir Robert Gifford, 80, who was presented with a silver cigarette case by the club.

## Today's engagements

The Queen visits the Life Guards at Combermere Barracks, Windsor, 12.15.

The Prince of Wales attends reception in celebration of the golden jubilee of the Association of Royal Naval Officers, Fishmongers' Hall, London Bridge, 6.30.

# Forthcoming marriages

Mr N. A. Balto, RAF, and Miss A. M. Philippe. The engagement is announced between Mr N. A. Balto, RAF, and Miss A. M. Philippe, daughter of Mr. and Mrs. A. H. Philippe, of Caistor, Lincoln.

Mr A. Dudley Ryder and Miss K. Christie. The engagement is announced between Mr A. Dudley Ryder, of 5 St. John's Place, London, W.8, and Miss K. Christie, daughter of Mr. and Mrs. A. H. Philippe, of Caistor, Lincoln.

Mr A. W. M. Creeth and Miss J. F. Clark. The engagement is announced between Mr A. W. M. Creeth, of 5 St. John's Place, London, W.8, and Miss J. F. Clark, daughter of Mr. and Mrs. A. H. Philippe, of Caistor, Lincoln.

Mr A. W. M. Creeth and Miss J. F. Clark. The engagement is announced between Mr A. W. M. Creeth, of 5 St. John's Place, London, W.8, and Miss J. F. Clark, daughter of Mr. and Mrs. A. H. Philippe, of Caistor, Lincoln.

# Parish priest could become Archbishop of Westminster

By Clifford Longley  
Religious Affairs Correspondent

The search for a successor to Cardinal Heenan begins in earnest, although canvassing and lobbying have already reached an unprecedented pitch. Although such things are done discreetly, that does not mean they are not done intensely. The new Duke of Norfolk, Premier Roman Catholic layman in the land, is known to be active in support of his chosen candidate, Father Michael Hollings, whose name is also to be heard in the Jesuit headquarters at Farm Street, and in many other clerical circles in the archdiocese. Although there is nothing to stop a parish priest becoming an archbishop in one of his fellow priests behind him, Father Hollings has still to be counted an outsider.

Cardinal Heenan's legacy to his successor is a church in far better shape than it might have been, given the strains and tensions of the past 10 years, but a church which has still, perhaps, its greatest difficulties ahead of it. By and large the English Roman Catholic bishops have great pastoral and administrative experience, but tend to lack intellectual weight. Without a firm grounding in contemporary theology, their policies are inclined to be either dogmatic or pragmatic, and neither approach exactly suits the challenge they face. There are clear warning signs that the English Roman Catholic Church could lose a whole generation of younger

# Parish priest could become Archbishop of Westminster

middle-class faithful, the very people that it will most need between now and the end of the century. The archbishopric at Westminster, which is the most centralized and therefore probably the most powerful single position in the British ecclesiastical world, is a crucial factor in the future evolution of British Christianity.

Anglicanism has taken on the challenge of making the Christian faith credible in the modern world, despite the inevitable mistakes that it necessarily entails, and in their task they have the support of the free churches who suffer their own share of the anguish of aging and dwindling congregations. The Roman Catholic Church has not yet picked up the gauntlet, and no longer has the magnetism that attracted a number of subsequently distinguished converts before the war on its own uncompromising terms.

# Latest appointments

Mrs Angela Rumble to be general secretary of the Patients Association. Mr Geoffrey Redgate to be chairman of Bolton Area Health Authority. Mr Cecil Clothier, QC, to be chairman of the National Joint Committee on Rural Dispensing.

# University news

Grants: £10,000 from the Welsh Office to the University of Wales, Aberystwyth, for a survey among new-born babies in the county of Gwynedd, to determine the incidence of congenital anomalies and the effect of environmental factors.

# Animal lovers keep their eyes on farmers

Love of animals is regarded as a particularly British trait. Appreciation of meat is also widespread, so most of us accept the idea of slaughter while deploring cruelty. The fact that the production of animals and poultry has encouraged the formation of many organizations devoted to ensuring that farm animals are reared by acceptable methods, their aims are often similar but they seldom act in unison.

# Parliamentary notices

House of Commons. Wednesday 11.30: Assembly of members for the state opening. At 2.30: Motion for an Address in reply to the Queen's Speech.

# 25 years ago

From The Times of Thursday, November 16, 1950. Concern at the decline in the number of British visitors to Switzerland for the winter sports season has led to the formation of the British Alpine Club, which aims to promote the winter sports industry in Switzerland.

# Law Report November 14 1975

# Law Society condition of sale criticized

Ogilvy and Others v Hope-Davies. Before Mr Justice Gribbin. [Judgment delivered November 13]. Where on a sale of land to which the Law Society's general conditions of sale were applicable the vendor was admittedly imperfect, the purchaser should nevertheless make his requisitions thereon within the time specified in the abstract, which was only defective in unimportant respects—unimportant in the sense that a solicitor investigating title would or ought to assume that the gaps were filled in by the information supplied in the abstract.

# Latest wills

Miss Winifred Casnewy, of Redcliffe, Wilt., left £7,500 net. She left her property to the Royal Society for the Prevention of Cruelty to Animals.

# OBITUARY

# SIR ROGER HAWKEY

# Led anti-Stansted fight

Sir Roger Hawkey, Bt, died on November 11 at the age of 70.

The only son of Sir James Hawkey, first baronet, who succeeded in 1952, he was born on June 25, 1905, and educated at Chigwell School, Essex. He saw service in the Second World War in the RNVR in the rank of lieutenant-commander. He was twice married. There is no heir to the baronetcy.

# Strong England chess team

# outclass Wales

From Harry Golombek  
Birmingham

England fielded an impressive array of talent in the double round-robin chess match with Wales in the preliminary group of the European team championship at the Royal Angus Hotel over the weekend.

# Science report

# Medicine: Artificial joints

The present treatment for severe arthritis of the hip joint is removal of the damaged joint by a total hip replacement. The artificial joint is made of metal and plastic, and is designed to last for many years.

# Parliamentary diary

House of Commons. Monday, November 10. Statements on the Motion for an Address in reply to the Queen's Speech.

# Appointments in the Forces

Royal Navy. Surgeon Captains: I. H. Colley, D. J. Keating, and J. A. D. O'Brien.

# Mr R. H. K. Frisby, QC

Mr R. H. K. Frisby, QC, whose appointment as circuit judge was announced recently, is unable for health reasons to take up his appointment.

# Lincoln's Inn

Mr J. Edwards-Jones, QC, Mr R. A. Watson, QC, Mr A. S. Myerson, QC, and Mr P. L. Gibson have been elected Benchers of Lincoln's Inn.

# Chancery Division

His Lordship thought that the proper construction—which incidentally produced a sensible result—was that the matter should be looked at as one of substance, and not as one of form.

# Agustín Tosco, the prominent Argentine Marxist

Agustín Tosco, the prominent Argentine Marxist leader, has died at the age of 45. He was a member of the Argentine Communist Party and was active in the Argentine Revolution.

# Lady Twining, OBE, widow of Lord Twining

Lady Twining, OBE, widow of Lord Twining, has died at the age of 79. She was a member of the House of Lords and was active in the Conservative Party.

# Madame Suzanne Lacore, who has died

Madame Suzanne Lacore, who has died, was a member of the French Resistance and was active in the French Revolution.

# SYDNEY

## £105

The charge shown is for a 60 second call.

INTERNATIONAL DIRECT DIALLING.  
THE WORLD AT YOUR FINGER TIPS.

See your Dialling Code booklet for more details. The charge shown is exclusive of VAT. Not available from combi-boxes.

# SYDNEY

## £105

The charge shown is for a 60 second call.

INTERNATIONAL DIRECT DIALLING.  
THE WORLD AT YOUR FINGER TIPS.

See your Dialling Code booklet for more details. The charge shown is exclusive of VAT. Not available from combi-boxes.

# SYDNEY

## £105

The charge shown is for a 60 second call.

INTERNATIONAL DIRECT DIALLING.  
THE WORLD AT YOUR FINGER TIPS.

See your Dialling Code booklet for more details. The charge shown is exclusive of VAT. Not available from combi-boxes.

# SYDNEY

## £105

The charge shown is for a 60 second call.

INTERNATIONAL DIRECT DIALLING.  
THE WORLD AT YOUR FINGER TIPS.

See your Dialling Code booklet for more details. The charge shown is exclusive of VAT. Not available from combi-boxes.







# Management

## Bringing predictability into industrial relations

The Employment Protection Act which finally attained Royal Assent last week is a remarkable addition to labour law in Britain.

Broadly speaking, the 128 clauses and 19 schedules fulfil three functions. First and most contentious, they meet the institutional requirements of trades unions affiliated to the TUC.

Whether the requirements are needs in terms of the public interest is obviously, and one hopes not endlessly, a matter of controversy. What is not in dispute is that these large, mature and significant organizations must be fitted in a legal haphazard way, into the formal structure of an interdependent society.

The Industrial Relations Act attempted to do it in one way, but it was too constraining and lawfully to survive the liberalization of mind developed by 65 years of immunity from legal proceedings for certain habitual forms of trade union pressure.

As happens so often in analysing a contentious subject, one has to say here that "liberalization" need not necessarily imply approval. In 1966 statute law gave trade unions (very broadly defined) immunity from the common law principle that combination in restraint of trade is unlawful and should be compensated to any injured party (if the injured party could litigate). Two generations' habits were shaped by the decision.

Under this dispensation trade unions in law had no security of membership or negotiating rights apart from what their persuasiveness (again widely defined) could get for them. In a variety of ways this has become increasingly unsatisfactory, and a continuing theme in all the argument since the Donovan Royal Commission has been how to place unions in a system where they would be "secure" and, in consequence, less disconcerting.

The formula used by the Employment Protection Act is highly favourable to unions. This was only to be expected. Employers will not have the right to refer a recognition dispute to the Advisory Conciliation and Arbitration Service; only a certificated union will be able to apply for a certificate of recognition. The expert assessment of ACAS that the duty to negotiate should be placed on the employer; the right of appeal will lie only with the union against a failure of duty to negotiate by the employer as defined by ACAS.

Although no other country has a system quite like this, most other advanced countries

have provision for union security. Union security has usually led to a situation that employers can live with.

Tough, abrasive or legally privileged unions are not in themselves so difficult a problem as totally unpredictable unions or fragments of unions.

The second function is to perpetuate in an institutional form that will be both effective and acceptable the expertise built up over years of conciliation, inquiry and adjudication. There is no doubt that ACAS has a ready market both in conciliation, where its first pre-statutory year has more than doubled the previous record of cases (not counting the 30,000 unfair dismissal applications), and as a consultant service.

If conciliation about its role in recognition cases leads another government to kill it, the corpse will soon be quickened under another name. The Central Arbitration Committee is the next incarnation of the old Industrial Court/Industrial Arbitration Board. The Employment Arbitration Tribunal will resume the appellate functions of the National Industrial Relations Court, and the certification officer will be without powers to interfere in unions' affairs, the successor of the registrar.

Again, there is a continuous thread of institutional development. In many respects the powers of these bodies are novel for Britain, since Parliament has not been specific about what their norms of performance should be (or what norms they should lay down in codes of practice), nor are their judgments in themselves justiciable. The same goes for the Health and Safety Executive.

A great deal will depend on the professionalism and persuasiveness of their staffs. At least, one can say that their predecessors in one guise or another have served the country well in the same fields.

The third element is the continuation of the raising of the "statutory floor" of employees' rights which began tentatively enough in 1953 with the Contracts of Employment Act. There are now more than a dozen items which must be set out in writing in a contract of employment, and allowing that to diffuse through the whole range of employment practice in Britain will take some time.

— identity of the parties  
— job title  
— reference to any previous employment that can be counted as continuous  
— date of starting  
— scale and method of payment.

— intervals of payment.  
— terms and conditions of working hours.  
— terms relating to holidays, sickness and pensions.  
— length of notice.  
— trade union rights (recommended).

— disciplinary rules (or reference to a document).  
— name of person to whom appeal can be made.  
— name of person to whom to take a grievance.  
— note of subsequent procedure for reference to a document.

At the same time, the sanctions on employers who dismiss people unfairly, and the compensation exacted from them for redundancy, are extended further. And the Act and its companions (Health and Safety, Equal Pay, Sex Discrimination and Racial Discrimination) add an equally formidable list of rights in the workplace—to use the German phrase—which have not existed before in the eyes of the law.

— healthy and safe conditions of work and participation in establishing them (with a concomitant responsibility).  
— guaranteed minimum pay when work falls off.  
— suspension from work on medical grounds.  
— belonging to a certificated trade union.  
— time off to look for work under notice, to carry out trade union duties and (without pay) for wider trade union activities and public service.  
— equal pay for work of equivalent value (by sex and by district and occupation).  
— maternity leave and reinstatement (women only).

This novel dispensation must rank with parts of the great Victorian settlement of careers open to talent, universal education and the original trade union legislation in its scope and implications for how the country orders its affairs.

Perhaps naturally, the first parts of the Act to become operative will be those meeting institutional requirements. The last will be the ones which involve most immediate expense and which threaten to rock the boat of incomes policy.

In itself the legislation requires a measure of digestion, let alone implementation. Those who have to operate it may feel that it is a bit hard to have to catch up with international standards, and continue to contend with libertarianism as well.

Innis Macbeath  
The author is Plowden Professor of Industrial Relations at London Business School.

Edited by Rodney Cowton

## Help for companies' new technology

In a marquee behind a shiny new laboratory building in Melbourn, near Cambridge, last Wednesday, the Duke of Edinburgh was playing with a toy aircraft crash truck which made realistic noises and sprayed a display stand with water.

He also expressed great interest in an electrically powered bicycle (ridden by racing driver Graham Hill), a high-efficiency thermal panel for converting solar power to domestic heating, an ingenious petrol dispenser and audio equipment of distinctly high fidelity.

Prince Philip was visiting—PA International Management Consultants' new research and development laboratories, alias Patcentre (PA Technology and Science Centre), Cambridge division. The marquee exhibits illustrated a few of the new products which the centre has developed for a variety of clients.

Product innovation and development is the centre's dominant activity. Senior consultants lead several specialized groups in such areas as mechanical sciences; electronics engineering; materials science and chemistry; applied optics, and electron beam and vacuum technology—while the multi-disciplinary product teams cut across these lines in a "matrix" type of organization.

Four other main types of service are provided. First, production process improvement, either in response to a specific problem or after a thorough technology audit of a manufacturing process.

Secondly, investment appraisal and decisions, involving assessments of technology, markets and financial plans. A £100,000 directing by a mechanical bank resulted from one such exercise, in which Patcentre advised against backing a particular product.

Thirdly, advice on the management of research and development.

Finally, a service which is known as strategic industrial development. This is concerned with stimulating new industries in particular areas and often involves supplying a missing ingredient which might be technology, project management or marketing.

The Melbourn laboratories work closely with two other PA groups, the Advanced Production Technology Unit in Cambridge and the PA Design Unit in London. The latter group has acted as industrial design consultants for Design Council award-winning companies. More usually, its PA services for clients.

In tackling the potential conflict between the career development of professional engineers and the needs of the client (and of PA), the Patcentre approach is unusual. As described by Mr Gordon Edge, director of the centre, promotion from engineer to senior engineer and then to consultant, is straightforward and on merit.

From consultant to senior consultant is also in effect on merit, but the merit is assessed by the centre's "college" of senior consultants. Consultants are elected to this senior group by the existing members of the college, independently of management.

About half the centre's total business is for clients in the United States, and the bulk of the remainder is for Scandinavia (another Patcentre unit is in Stockholm), France and Germany.

The prototype bicycle which Graham Hill was demonstrating for Prince Philip last week incorporates a new type of electric motor in the hub of one wheel. Battery-powered, highly efficient and electronically controlled, this is an example of work which PA has carried out for Sedgemoor Technical Developments, London.

Patcentre's relationship with Sedgemoor is in itself unusual. Sedgemoor (of which Graham Hill is a director) is a venture-capital company with a particular interest in energy conservation and utilization. Its development work is done under contract by PA. After the prototype stage Sedgemoor aims to offer the products for manufacture and exploitation by other companies under licence.

For the Metroty company Patcentre has helped in developing new products such as the miniature aircraft crash truck mentioned earlier, a children's record player, which uses an ingenious linear-motor turntable drive, and a toy metal detector.

An example of the centre's "strategic industrial development" approach is its work for the Northern Ireland Finance Corporation which resulted in the formation of Strathairn Audio, West Belfast. Here the aim was to set up a company which would use local skills and create jobs; new technology was adopted to make the products attractive in world markets.

Interesting conclusions can be drawn from the fact that more than 90 per cent of the centre's business is for overseas organizations.

Kenneth Owen

## Four-point programme for boosting industrial effort

From Mr M. H. Eubank  
Sir, I regret that I cannot share the Chancellor of the Exchequer's euphoria that our balance of payments is "quite an extraordinary success story".

In some fields this may be true, and in particular the efforts of British Consultants fully merit the Chancellor's description. Over the past five years their overseas earnings have increased four-fold, and this year British Consultants expect to become the largest single contributor to the invisible sector, ahead of banking, insurance, shipping and air-line.

However, in the field of heavy capital goods, and in particular complete capital projects, British efforts have been pathetic. In spite of the superb service given today by many of our embassies, much of their efforts are lost in the antiquated machinery of government departments or frustrated by the lack of interest and sheer incompetence of British industry.

In the Middle East there are several complete sectors of development worth billions of pounds in exports in which it appears unlikely that there will be any British involvement.

It is accepted that terms of trade are difficult, but our competitors are able to succeed. The special problems of performance bonds and joint liability can be overcome by government support matching similar help given by other governments.

However, this leaves the requirement for British industry

to perform. Unfortunately, this is something for which we have a poor reputation overseas, and although labour problems are a contributing factor the root cause is lack of leadership and enterprise by top management. Much of British industry is run by so-called financial geniuses who look at exports solely in terms of balance-sheets and profit and loss accounts. The attitude of the banks further aggravates this problem.

May I propose the following four-point programme to capture at least another £1,000m in contribution to the balance of payments?

1.—The Government should create an effective financial umbrella support system to assist the securing of multi-million pound capital projects.

2.—Government, industry and the City should get together in a true co-operative partnership without fear or threat of nationalization.

3.—The Department of Trade should be reorganized and restructured to create an effective support system to meet modern conditions.

4.—Shareholders should look carefully at the director of their holdings and where necessary ensure that they are replaced by men with enterprise and vision, and a responsible attitude to the national interest.

Yours faithfully,  
M. H. EUBANK  
Chairman, Eubank and Partners Limited,  
Prudential House,  
North Street,  
Brighton.

## Taking account of LIFO and base stock

From Mr D. W. Hardy  
Sir, Margaret Allen's article "Charting the fortunes of world business" (November 11) gives interesting data from the eleventh edition of *The Times* 1000—but she mars her otherwise admirable article with an inaccurate comment about Tate & Lyle's profit.

She states that stock profits and the effect of commodity prices had boosted this company's earnings. I must correct this misconception as she has overlooked the important accounting policy adopted since 1942 for our United Kingdom companies and since 1959 for our major United Kingdom companies—that is the use of last in, first out (LIFO) and base stock for the valuation of our inventories.

Readers of *The Times* and the accounting press will have followed our battle to obtain recognition of LIFO and particularly base stock. First the Accounting Standards Steering Committee in their suggested accounting standard, and later the International Standards Committee, had sought to severely restrict, if not eliminate, the use of this method of stock valuation—which matches current costs of inventory consumed with current revenues.

Following our submissions and the willing support of such as BICC, BOC, Lead Industries and Delta Metal, the international body recognized our contention.

Of more significance was that the Sandilands Committee, to whom we also submitted evidence, now recommends a form of base stock to eliminate inventory profits in trading accounts. This method was adopted both base stock and LIFO we have not boosted our profits with stock profits.

Some of your readers, together with at least one of your correspondents, attended the Sandilands two-day conference last week run by the Institute of Chartered Accountants and another newspaper. In my own speech at this conference I quoted the effect for Tate & Lyle Limited for their 1974 results if we had used base stock. 200,000 tons of United Kingdom sugar was revealed from a base of £25 per ton to the then market price—approximately a FIFO valuation. Profits before tax would have risen to £32.6m from £4.0m. In 1975 would have shown a decrease of £40.2m.

As regards her other contention that profits benefited from soaring commodity prices, this needs some correction too. We trade in several agricultural commodities as well as sugar and molasses—such as peas, lentils, pulses, tallow and fat. Our "trading" consists of buying, processing, storing, distributing and even shipping. Many of these activities earn us a handling fee. Higher prices generally reflect more buyers than sellers, and it is obviously easier to get higher handling fees when prices are high—but Tate & Lyle's profit growth comes from a wide spread of activities and not windfalls from soaring commodity prices.

Yours faithfully,  
DAVID W. HARDY,  
Finance Director,  
Tate & Lyle Limited,  
21 Mincing Lane,  
London EC3R 7QY,  
November 12.

## Railways: costly traditions

From Mr Richard Hope  
Sir, Ten months ago Freightliners Limited withdrew the daily train carrying containers between Hull and Liverpool to cause British Rail charged too much. More cutbacks in Freightliner services and some depot closures are probable for the same reason.

A lorry driver would do this 250-mile round trip in a single shift with no complaint. The Hull-Liverpool Freightliner, unfortunately, had to use the trucks of four pre-grouping rail companies. These companies merged in 1923, but BR still had to roster four separate three-man crews for each one-way journey. This example, by no means exceptional, shows how tradition and restrictive practices condemn the natural advantages of rail transport: a private track on which a large tonnage can be moved quickly and safely by one man using one quarter of the energy consumed by lorries. So long as 12 men do the work, one road transport always wins no matter what the Government pays out in the way of subsidies to boost rail freight.

Two basic questions arise. For the unions: does this episode really show your policy of using tradition and the rulebook to protect employment to be effective? And for the Minister for Transport: how in all honesty could you tell Parliament on November 6 that "the choice we have to make is between some treatment and economies in the services that British Rail operates, or a continually increasing deficit when productivity improvements on this scale are still possible?"

Yours faithfully,  
RICHARD HOPE,  
Editor,  
Railway Gazette International,  
Dorset House,  
Stanford Street,  
London SE1 9LU.

## Felixstowe: a fair deal

From Sir Humphrey Browne  
Sir, Your readers may be becoming bored with the Felixstowe affair. I must reply to Mr Reed's letter (November 7). First, the price proposed (which carries a very substantial premium over the pre-discounted rate) takes into account the unavoidable delay in payment and is considered by the Board of Felixstowe and their advisors (who should know) to be fair and reasonable.

Where Mr Reed goes most wildly astray is in his reference to the British Transport Docks Board as the "chosen instrument of the Government". May I say for the nth time that the Government

played no part in initiating or promoting the project. The transaction has been negotiated on a commercial basis and the only part which Government have played is to agree the necessary private Bill being deposited.

No doubt the directors of Felixstowe have recognized the desirability for the port to join an organization which has the financial resources to ensure its continued health and development.

Yours faithfully,  
HUMPHREY BROWNE,  
Chairman,  
British Transport Docks Board,  
Melbury House,  
Melbury Terrace,  
London, NW1 6JY.

# RCM review

The following is the text of the annual statement to shareholders, dated 27 October 1975, by the Chairman of Roan Consolidated Mines Limited, the Hon A J Soko MP.

Following the signing on 26 February this year of the agreement terminating the contracts under which subsidiaries of AMAX Inc provided certain management and sales services, RCM is now self-managing and Zambian control over the country's most valuable natural resource has been achieved.

It is regrettable that the attainment of this important element in Zambia's economic aspirations has coincided with formidable problems which are outside the control of management.

World recession has led to depressed copper prices; global inflation has resulted in escalating costs of imported supplies; and we are now faced with the closure of our major transport route through Lobito in Angola.

An additional burden is the latest increase in the price of oil supplied by member states of the Organisation of Petroleum Exporting Countries. As in the past the impact of this increase will be felt most by the non-oil producing nations of the Third World of which Zambia is one. One wider plan for raising the price of oil is bound to affect adversely the rate at which the world economy recovers.

## PROFITS AND DIVIDENDS

As demand for copper has shrunk, the London Metal Exchange price, on which our sales are based, has fallen from the peak of £1 400 in April 1974 to £488 in January this year. While the price has since risen in sterling terms and is now around £550, the increase has been offset by the falling value of sterling in terms of Kwacha. In 1973-74, our production costs rose about 13 per cent over the previous year while in 1974-75 they rose by a further 18 per cent. At the present metal price the company can no longer record a profit before tax.

Due to the low level of profit and to increasing liquidity problems, the company has been forced to pass quarterly dividends since dividend No. 18 declared in respect of the first quarter of 1974-75. Until the metal price recovers to adequate levels and until the transport problems posed by the closure of the Lobito route are solved, there is no prospect of resumption of dividends.

The company is in serious financial difficulties. It has been successful in negotiating important new loans but it is clear that more finance will be required. Discussions are taking place with the Government of the Republic of Zambia on the best means by which the company can be provided with finance.

The mining industry in Zambia is such an important employer and such a vital element of the economy that your company must consider the political and social implications of all its actions. It is therefore working closely with the Government in these difficult times.

Capital spending plans have been curtailed. All divisions of the company are exercising excellent control over their operating costs and efficiency remains relatively high.

It is my belief that the financial problems which beset the industry will be overcome as the world economies recover from the current recession. Zambia has faced similar problems before and I am confident that the present transportation difficulties will be solved in the not too distant future. In this regard, it is my earnest hope that the people of Angola settle their differences amicably and soon, for political stability in that part of Africa is to our mutual benefit.

## TRANSPORT

There were difficulties on all of Zambia's export-import routes. The Lobito route, which in recent years has played an increasing part in the nation's trade, was closed in August; and there is as yet no reliable indication of when it may be open. Earlier in the year restrictions on axle loading for freight travelling by road through Tanzania to Mombasa led to the abandonment of this route. The road route through Malawi to the port of Nacala in Mozambique has not yet achieved the rate of movement we anticipated.

Meanwhile, conditions at Dar es Salaam, where congestion has been a constant worry, are reported to have improved. This is a particularly happy development as while difficulties have already allowed to persist on the other routes, Zambia will have to rely considerably on the newly-completed Tanzania-Zambia railway system (TAZARA) and the port of Dar es Salaam for the transportation of the larger part of her exports and imports. TAZARA came into operation on a limited basis in September when it moved wheat from, and RCM copper to, Dar es Salaam. Reports on these trials were very encouraging.

Another welcome development is the establishment of an emergency road route linking Katete in Zambia's Eastern Province with the port of Beira in Mozambique.

Nevertheless, the situation remains precarious, and the mining industry was obliged to declare force majeure on 26 per cent of its deliveries from early in September due largely to transport problems. This was raised in October to 30 per cent for RCM and to 40 per cent in the case of Nchanga Consolidated Copper Mines Limited, Zambia's other copper producer.

The mining industry looks forward during the 1975-76 financial year to improvements in the efficiency of these routes and to a larger share of their capacity brought about by the austerity of Zambia's general import programme. But it would, I think, be over-optimistic to expect more than a modest improvement in profitability for some time.

## INDUSTRIAL RELATIONS

It is pleasing to report yet another year of remarkable co-operation between the company and the Mineworkers' Union of Zambia on the one hand, and between the union's officials and its members on the other. I believe Zambia's national reputation in matters of industrial relations is of a very high order, and that of the mining industry to be outstanding. In conditions of free bargaining, the high sense of responsibility shown at most times by the union officials and their members reflects a maturity that many other countries may only envy. The sole blemish on our record were after the end of the financial year, when two minor work stoppages occurred.

Zambianization continued to make steady progress during the year with some notable accessions to the higher echelons of management. No less significant, however, were the continuation and expansion of the manpower planning and training programmes of the industry which have reached a level of sophistication and extent that few industries in the developing world can match. Government and the industry are united in their determination that Zambianization shall proceed as quickly as possible without loss of efficiency and safety. Expenditure on training is high, but there can be no doubt that it is one of the industry's best investments for the future.

Almost the only restraint on progress in this field arises from the continuing losses of skilled expatriates and the difficulty of replacing them. Not only efficiency of production, but the effectiveness of training are hindered by this imbalance between recruitment and resignation. Recent improvements in the conditions of service should, however, restore Zambia's competitive position in the world market for skills and experience. That these improvements were made at a time of national financial stringency is a recognition of the importance with which the Government of Zambia regards them.

## CONCLUSION

In the conditions of trade that afflict almost every one of our customer countries, it was to be expected that this year would be one of declining profitability. It has been Zambia's misfortune to be subjected to the additional burdens of inflated prices and delayed deliveries of our supplies, and difficulties in exporting our products. Commendable efforts have been made by the company to improve efficiency and reduce costs, and I gratefully acknowledge the efforts made by employees of all ranks and responsibilities to bring these achievements about.

We in the world copper industry are bound together in adversity more closely than we were in prosperity, and my recent discussions with some of our partners in CIPED have confirmed my confidence that increasing unity will strengthen the prospects of attaining the more regulated market so earnestly desired by both producers and consumers.

It is my opinion that in the coming months we shall see the first signs of improvement in the world economic situation, and it is my belief that the Zambian mining industry will be ready to take up the challenge that this will offer. Meanwhile, I extend to my fellow directors and to every employee my thanks for their loyalty and hard work.

Roan Consolidated Mines Limited is incorporated in Zambia. Copies of the Chairman's statement, together with copies of the annual report and accounts, can be obtained from its London Registrars, Hill Samuel Registrars Limited, 6 Greenock Place, London SW1P 1PL

RCM

## Business appointments

### Lord Balmiel joins board of Sun Alliance

Lord Balmiel joins the board of Sun Alliance and London Insurance.

Mr Harry Bengough has been elected chairman of St James's Advertising & Publishing in succession to Mr J. M. Williams. Mr Williams remains on the board as a non-executive director.

Mr Geoffrey Moore, Vauxhall Motors' director of personnel, government, public and industry relations, has been appointed assistant to the managing director, Mr Eric Fountain, director and Elmsmere Port plant manager, values over the national skills and manufacturing, succeeding Mr Donald Love, who has resigned.

Mr E. J. Cuthbertson has been elected chairman of Hampton Trust in place of Mr T. G. Wyner.

Mr J. A. Airey has been appointed sales director of Hawker Engineering Dynamics, as from January 1.

Mr David Drew becomes a director of Bossey & Hawkes Music Publishers.

Edward Bates Insurance Brokers has formed two subsidiary companies, Edward Bates Marine Insurance Brokers and Edward Bates Reinsurance Brokers. Directors of the marine company are: Mr T. L. R. Burt (chairman), Mr P. Brandt, Mr M. James, Mr P. W. Mason and Mr A. C. Pitt. The directors of the reinsurance company are: Mr Burt (chairman), Mr Brandt and Mr B. F. L. Williams.

Mr R. E. W. Newman has resigned as chairman of Thames Plywood Manufacturers. He remains a director, Mr C. P. Chetani has joined the board and was elected chairman.

Mr Y. R. Bhardwaj, at present deputy chairman of Delta Building Products and a director of Delta Metal Co will succeed Mr C. L. Spital as chairman of Delta Building Products. Mr Spital will continue as a non-executive director of Delta Metal.

Mr C. Harold Buckley has become chairman of William Piddies and Company, and Mr N. F. Garrett has been appointed deputy chairman and managing director.

Mr Peter Hart has joined the board of George Deane Ltd.

Mr John A. Rolis has been made director of Finance (Europe) of Monsanto.

Mr Barrie C. Johnson has been appointed as a director of Charterhouse Japhet (Northern).

Mr Neville Cohen and Mr M. Lewis have been appointed directors of Barker and Dobson.

Mr Paul Barron has joined the board and been appointed managing director of John Stephen of London.

Mr John Roddy, group financial controller of Bernard Wardle, becomes a director of Duraplex Industries.

# ADAMS FOODS

## Record year at Adams Foods

At the Annual meeting of Adams Foods Limited, at Leek, the Chairman, Mr J. H. Adams, referred to a "most satisfactory" year and told shareholders that the group's diversification policies had been entirely vindicated by the growth in non-butter areas. As previously announced group turnover in the financial year ended 28th June 1975 increased by some £11 M to a record £60.7M, whilst profit before tax was up from £129,000 to a further record level of £365,000.

In his Annual Review of the activities of the various divisions of the group, Mr Adams drew shareholders' attention to the newly formed Fresh Dairy Foods Division where, he said, the aim was to achieve national coverage during 1976 with dairy cabinet product ranges—yogurt, cream, desserts, cream and other popular short-life products—under the Adams/Kerrygold banner. He said that recently Kerrygold real fruit yogurts had been enjoying increased sales and had registered substantial market shares.

## Better than forecast

At Adams Biscuits, Uttoxeter, the chairman said business had developed better than forecast over the last year, with a doubling of sales of the "Regal" and "Elkes" biscuit brands. Exports were also encouraging and the company had established sales links in North America and Canada with shipments now regularly going forward to those and other export markets.



Shown here is the first picture of some of the dairy products to be distributed nationally through the newly formed fresh dairy foods division of Adams Foods Limited.

The group's diversification at its Cardiff long-life milk plant into a range of fruit juices had developed as planned during the year. This factory, Mr Adams said, was running at top gear to meet the demands for Adams pure fresh orange and grapefruit juices.

## Increased Market Share

It had also been a particularly successful year in the performance of the group's important butter and cheese interests. The group had increased its market share overall and throughput had achieved record volumes at certain periods. This was due, the chairman said, to aggressive marketing and sales techniques combined with improved service to customers. A major contributory factor was the new cold storage and warehousing complex which was inaugurated at the beginning of 1975. This, said Mr Adams, had enabled the group to sustain a new improved level of efficiency and speed of service.



**ING**  
THE  
COMPLETE  
STRUCTION  
SERVICE

## ate steel reveals loss of 25m in first half with pricing of worse to come

By Our Economics Staff

Since March the corporation's workforce has been cut by about 8,000. Savings arising from reductions in employment levels, the cutback in recruitment, and other economies are expected to amount to about £73m by the end of the financial year, compared with the target of £100m.

Union leaders were told last week that the corporation will be looking for savings next year of £200m, to be realized largely from reductions in manning levels and in the operation of high cost plants.

Senior officials of the Iron and Steel Trades Confederation and National Co-ordinating Craftsmen's Committee will be meeting this week to discuss the BSC's plans to streamline its labour force. The unions are expected to seek an early meeting with Mr Eric Varley, Secretary of State for Industry.

In a statement on the first half-year ended October 4, the BSC says that the loss of £25m compared with a profit of £52m in the corresponding period of last year.

The corporation cites low and uneconomic levels of operation in the face of the world recession and falling prices to meet market levels as the main factors behind the decline. These have been exacerbated by inflation.

The BSC has also been affected by disputes which have hit production. But the corporation notes that the cuts so far made with union cooperation have produced economies totalling about £50m.

Over the six months the weekly output has averaged about 200,000 tonnes against 332,000 tonnes in the corresponding period of 1974, and a capacity of 500,000 tonnes.

In a bleak comment on the prospects, the BSC said: "Prospects for the second half are substantially worse. The most significant factor will be the continuing recession with its restrictive level of demand at home and abroad and the corporation's share in this limited demand."

It continued: "Against the background of further unavoidable and considerable cost increases, the corporation's performance will also depend on securing improved industrial relations and its ability to take continuing, even increasing, drastic measures to secure still more economic production."

But in the first half-year, the BSC has boosted its capital expenditure to £201m—a rise of £92m over the same period last year—with a £55m decrease in working capital and net external funding requirements totalling £217m.

Meanwhile, the BSC's stockpiling scheme which has been under discussion with the government for over a year now appears to be in jeopardy. The corporation with promises of support from the City was hopeful of going ahead with this scheme; but there is speculation that both the Treasury and the Bank of England are unhappy about the scheme's implications.

The signs that the money supply growth has been accelerating in recent months under the impact of the widely expected swelling of the public sector deficit are not corroborated by today's figures from the Bank of England for October.

Banking figures to the middle of the month show a 0.6 per cent rise in the narrowly defined (M1) money supply and a 0.8 per cent rise in the broadly defined (M3) money supply.

As a result, the annual rate of increase over the most recent three months has fallen back below 20 per cent for M1 and has levelled out at just over 16 per cent for M3.

But the figures are substantially higher than the figures for June and July; but the acceleration of money supply growth appears to have stopped in October.

Normal non-inflationary growth in the money supply would be about 4 per cent a year. But it has been understood that, after the more than 30 per cent growth rate reached in 1973, it would be necessary to return to a more sustainable level by slow steps.

The 1 per cent rise in the Bank of England's minimum lending rate on October 3, and subsequent aggressive selling of gilt-edged government bonds, were intended to choke off the incipient reacceleration of money supply growth.

Last Friday's 1 per cent cut in the minimum lending rate reflects the authorities' success in cutting back the liquidity of the money banks by bond sales and their desire to foster further sales on the basis of expectations of declining interest rates.

It can be assumed that the Chancellor would be content with a money supply growth rate close to 10 per cent in coming months.

## Decline in annual rate of M1 increase

By Our Economics Staff

From David Cross  
Brussels, Nov 16

The European Commission has decided not to recommend the sudden imposition of worker participation to EEC member governments.

Under pressure from states like Britain and Italy, where opposition to the idea is growing, the Commission has suggested instead that they be given more room to manoeuvre for a 10-year transitional period during which workers would be gradually given greater management power.

But the Commission, in a 200-page Green Paper, has given unequivocal backing to the other EEC policy sector, the Community's social policy, by stressing that improvements in the quality of life and working conditions, the protection of the environment, and the rights of the consumer could probably be secured only by giving workers more say in the way EEC companies were run.

During the transition period companies would be free to choose a two-tier board or continue with a single board system. Worker participation could be strengthened by the setting up of a workers' council with powers to influence the conduct of a company's affairs, including major economic policy decisions.

Mr Finn Olaf Gundelach, commissioner for free trade affairs, told a press conference he hoped the document would stimulate a public debate throughout the Community on the shape of the European company of the future.

"The political reality is that had we tried to insist prematurely on a two-tier company structure, we would have been completely bogged down," Mr Gundelach explained.

He made it clear that, as in other EEC policy sectors, the Commission has finally abandoned the idea of a complete harmonization of national company laws. Instead the Commission will in future aim for a more flexible "convergence" of national legislations.

Explaining that he called the "trial" need for a common market for companies, Mr Gundelach said they were insisting on the need for a more integrated company system to the economic and social system of the Community.

"I remain as convinced as

## EEC retreat on boardroom workers

From David Cross

Brussels, Nov 16

The European Commission has decided not to recommend the sudden imposition of worker participation to EEC member governments.

Under pressure from states like Britain and Italy, where opposition to the idea is growing, the Commission has suggested instead that they be given more room to manoeuvre for a 10-year transitional period during which workers would be gradually given greater management power.

But the Commission, in a 200-page Green Paper, has given unequivocal backing to the other EEC policy sector, the Community's social policy, by stressing that improvements in the quality of life and working conditions, the protection of the environment, and the rights of the consumer could probably be secured only by giving workers more say in the way EEC companies were run.

During the transition period companies would be free to choose a two-tier board or continue with a single board system. Worker participation could be strengthened by the setting up of a workers' council with powers to influence the conduct of a company's affairs, including major economic policy decisions.

Mr Finn Olaf Gundelach, commissioner for free trade affairs, told a press conference he hoped the document would stimulate a public debate throughout the Community on the shape of the European company of the future.

"The political reality is that had we tried to insist prematurely on a two-tier company structure, we would have been completely bogged down," Mr Gundelach explained.

He made it clear that, as in other EEC policy sectors, the Commission has finally abandoned the idea of a complete harmonization of national company laws. Instead the Commission will in future aim for a more flexible "convergence" of national legislations.

Explaining that he called the "trial" need for a common market for companies, Mr Gundelach said they were insisting on the need for a more integrated company system to the economic and social system of the Community.

"I remain as convinced as

setting up of a workers' council with powers to influence the conduct of a company's affairs, including major economic policy decisions.

Mr Finn Olaf Gundelach, commissioner for free trade affairs, told a press conference he hoped the document would stimulate a public debate throughout the Community on the shape of the European company of the future.

"The political reality is that had we tried to insist prematurely on a two-tier company structure, we would have been completely bogged down," Mr Gundelach explained.

He made it clear that, as in other EEC policy sectors, the Commission has finally abandoned the idea of a complete harmonization of national company laws. Instead the Commission will in future aim for a more flexible "convergence" of national legislations.

Explaining that he called the "trial" need for a common market for companies, Mr Gundelach said they were insisting on the need for a more integrated company system to the economic and social system of the Community.

"I remain as convinced as

over that continued European integration in the economic and political spheres will be meaningless and impossible if we are not willing to establish a Common Market for companies as well as for goods and services," he said.

Companies had become the principal buyers and sellers of goods, the major borrowers and lenders of capital and the most significant developers and users of new technology.

They were the main producers of wealth and as employers they had an immediate impact on the lives of large numbers of the community's citizens.

But they were criticized by the separate laws of the nine member states. There were substantial differences between these national laws, relating in particular to the internal structure of companies, the powers of directors and the rights of shareholders and employees.

This situation constituted a real barrier to international activities, both for those who might deal with a company and for the companies themselves.

Underlying the need for a more integrated company system was the equally vital goal

of a common market for workers, Mr Gundelach said. In the wake of the current recession, companies would have to be restructured to meet the economic realities of the future, such as reduced growth.

This would inevitably affect workers by forcing them to change jobs and in some cases to move from one part of the community to another.

"I cannot believe that such radical changes can be made without the participation of those whose fates are involved," he said. "If we are not willing and capable of adapting our economic and social structures to the constraints more than the system will be able to bear."

David Young writes: British workers on the subject will be put to the EEC on Tuesday by Mr Michael Foot, Secretary of State for Employment, and a delegation of trade unionists, led by Mr Jack Jones of the transport workers' union.

They will be attending a meeting at which governments, employers and trade unions are to open a series of debates on Mr Gundelach's Green Paper.

## in gets ssels protest

By Our Economics Staff

Nov 16

It has been lodged by a Commission with the Government over the "per balance" in the trade cars between the EEC and Japan.

It pointed out that the nine imported cars from Japan, but to it no more than

its mission in Tokyo, mission has complained to the Japanese about the administrative type which acts as a trade barrier and difficult for EEC export their products to Japanese market.

Complaints include late notice given to users of changes in vehicle regulations, such that they often they sent unmarketable to Japan. Notice is less than six months, with the two to three daily given by EEC

mission also says exporters have great n getting adequate n information on technical norms and ards.

offer to Leyland, page 22

## Alarm over Vauxhall deal with Hungary

By Clifford Webb

British component manufacturers were last night alarmed by the implications of a £5m deal just concluded between Vauxhall Motors and the Hungarian state-owned RABA component group.

They fear that it is the forerunner of a drive by East European component companies to market their products in the West at unsubsidized prices.

The Government is already under pressure to restrict imports of Russian and Polish cars sold here at prices so low, they are open to allegations of dumping.

The Federation of Manufacturers of Construction Equipment and Cranes has also complained to the Department of Trade about the dumping of Russian-made heavy ripper trucks.

Vauxhall is reported to have agreed to buy 10,000 rear axle assemblies from RABA for installation in their new heavy truck series, the Bedford TM, being assembled at Luton.

RABA has a modern, highly-mechanized plant producing 50,000 axles a year. But what is particularly alarming to western axle manufacturers is a plan to double this capacity.

Orders have already been placed with German, Japanese and one British machine tool

manufacturer for the necessary plant. Yet there is evidence that this additional capacity cannot be used by Comecon countries (Comecon is the Eastern European equivalent of the General Agreement on Tariffs and Trade).

A British axle manufacturer said last night: "We have good reason to believe the Hungarians are trying to unload at least 30,000 axles a year in Europe. Coming at a time when there is already surplus capacity because of depressed truck sales, this could cause a considerable upset in the market."

A Vauxhall spokesman said: "The agreement is the first step towards building up a pattern of mutual trading with Hungary as we have done with other countries in the past. In these days of increasing competition vehicle manufacturers are having to find new outlets for their products, and Hungary is a market with considerable potential."

It is the sort of two-way arrangement that is necessary these days if we are to build up trade."

He declined to indicate what was involved in the other half of the two-way deal. It is understood, however, that the Government will provide a limited number of Vauxhall cars and Bedford trucks.

**MONEY SUPPLY**

The following are the figures released for the monthly amount of the money stock, seasonally adjusted, at the month-end and the month-end make-up date.

	M1 £000m	M3 £000m	Percentage change over 3 months to end of Oct 1975
1974			
Sept	12.7	35.9	11.1
Oct	12.9	35.7	10.7
Nov	13.0	35.6	10.0
Dec	13.2	35.8	17.0
1975			
Jan	13.7	36.0	28.3
Feb	13.7	36.3	19.1
March	13.9	36.9	20.5
April	14.3	36.9	17.0
May	14.3	37.5	22.0
June	15.1	37.4	12.8
July	15.5	37.6	12.8
Aug	15.7	38.4	18.1
Sept	16.1	38.8	28.9
Oct	16.2	39.1	19.5

## Soviet industrial output up '7 pc'

From Alan McGregor

Geneva, Nov 16

In sharp contrast with recession in the Western industrial put in Eastern Europe and the Soviet Union may be 7 per cent up for the year as a whole, according to the annual survey of the United Nations Economic Commission for Europe.

But it is questioned whether because of the growing deficit in their trade with the West—reaching more than \$4,000m (£1,943m) in May—the communist countries can sustain the high rate of import growth under the same constraints as every company in the private sector.

"What I would hope when the political rumblings have died down the enactment of the (Industries) Bill, when anybody presses us or attacks us is that they just give us the crack of the whip and judge us by our progress over the next three years. That will validate whether it is worth while both to industry and the taxpayer. We ought to be judged by results."

On the influence the NEB will bring to bear on the companies where it takes a holding, Lord Ryder made clear that he would apply the same type of management disciplines as he used in the growth and success of Reed International.

Each company would have to produce not simply financial budgets but full annual plans and targets, after being "quizzed on every aspect". Those plans would have to be fulfilled to the letter, or else...

## reported bid for Chrysler S Africa

By Our Economics Staff

Townsend

South Africa, said troubles similar to United Kingdom has received an for its Pretoria plant, according to Johannesburg yesterday.

s reported to have by the Anglo

American Corporation, but both Anglo American and Chrysler declined to comment. It was suggested that the most likely Anglo-American interest to administer the £14m plant was a South African subsidiary which markets the Mazda range of cars and Mack commercial vehicles.

Meanwhile, Mr John Riccardo, chairman of the Chrysler

Corporation of America, will return to London this week for further discussions with Mr Eric Varley, Secretary of State for Industry, on the question of state aid for the ailing Chrysler UK operations.

It now seems certain that Mr Riccardo will be told that the Government will provide the sum, at least £100m, which he said was necessary

## 3 scheme for revival of manufacturing

By Our Economics Staff

on page 1

the nation, with trouble we are having the type of the recent past."

at the IRC's zeal of creating bigger no merit in my I do recognize ude of British ed out by our top s. Behind a merg- as distinct from . but I can think that could get on ter, always pro- management is

2 political empha- be on the money : will have up to "initial statutory nize on the equity individual com- money is needed h industry." But the most impor- management, and thing that will in our priorities very change the g committee had been on

rd Ryder had it "it is our job apnares have the ement" and he his faith in asoned non-exec- the board with

youngish executive directors to provide the drive.

Asked what strategy and tactics the NEB would adopt in its equity initiatives, he answered: "It will be a mixture of people coming to us and our going to people. The people coming to us will be people in trouble."

After citing the car industry as an example of failure to supply a demand leading to the sucking in of money, Lord Ryder continued: "We (that is, the organizing committee) have been busy during these past few months working on the shortages that will be with us when the upturn comes. It is no good waiting for the upturn to come before you get started."

"We also spent a lot of time identifying sectors where we frankly cannot go on as we are at the moment. If you look at the foundry business, by and large we have some of the worst dark, Satanic mills there are."

When you look at Germany and America and their modern foundries, you cannot understand why anyone goes into one of our terrible foundries. Certainly you cannot see the next generation going into them. But if every company in the foundry business went out and built a green field site, we should have a lot of white elephants.

"Our approach will be to

get together round a table with the companies that have foundries and see that what we really need are four brand new foundries up to the best standards of Germany and America. How are we going to organize it? Can we resolve this so that we get the capacity we need?"

Process engineering was another sector where Britain was not progressing as it ought to be, and the same approach would be made there by the NEB.

Undoubtedly at the time of the interview Lord Ryder was much preoccupied with the inability or unwillingness of the largest British firms to seize the opportunities that exist for exploiting immense Middle East orders. Vast contracts, he said, were "going for the asking" and of all countries the Middle East "would still like us to do it."

But whether it was water purification or power stations they would deal only with one main contractor, and one contract might be for £500m.

Guest Keen or RTZ, for example, would say they would be the lead contractor but would be unwilling to do what was required by giving joint and several guarantees. Germany had organized to get round that no matter how big the contract, Lord Ryder broadly hinted that there lay part of the NEB's role in export stimulus.

He detached himself from any suggestion that the NEB, backed by state money and close to government, would be peculiarly privileged. "We are going to be like any company in the private sector," he contended. "We want no privileges. We accept we have to answer to the consumer, the Price Commission, the Monopolies Commission, and the Takeover Panel. We shall be under the same constraints as every company in the private sector."

"What I would hope when the political rumblings have died down the enactment of the (Industries) Bill, when anybody presses us or attacks us is that they just give us the crack of the whip and judge us by our progress over the next three years. That will validate whether it is worth while both to industry and the taxpayer. We ought to be judged by results."

On the influence the NEB will bring to bear on the companies where it takes a holding, Lord Ryder made clear that he would apply the same type of management disciplines as he used in the growth and success of Reed International.

Each company would have to produce not simply financial budgets but full annual plans and targets, after being "quizzed on every aspect". Those plans would have to be fulfilled to the letter, or else...

## Kuwait set to cut off BP's supply

By Roger Vialvoys

Kuwait is preparing to cut off supplies of crude oil to British Petroleum and Gulf Oil in retaliation for the breakdown of negotiations over state acquisition of the companies' shares.

Since takeover talks broke down on November 4 Mr Abdel Muttalib Al-Kazemi, Kuwait's oil minister, has visited all the other major oil producers in the Gulf and has assured them they will not increase their sales to the two companies in the event of a selective embargo.

Iran, Iraq, Abu Dhabi and Qatar have all said they will not provide additional exports to BP and Gulf. Saudi Arabia, which still has its own claim for 100 per cent ownership of the Arabian American Oil Co (Aramco) outstanding, has offered to reduce its overall production to help the Kuwaitis.

According to sources in the Middle East, Kuwait will appeal to the Organization of Petroleum Exporting Countries to back its stance.

In the short term, suspension of deliveries from Kuwait would present serious problems for both BP and Gulf.

Negotiations have been adjourned many times in the past eight months. There is no indication when the companies' negotiating will be asked to return to Kuwait.

Previous rounds of negotiation had provisionally settled on \$66m as compensation for the 40 per cent shareholding in KOC held by the two companies, and a discount of between 15 and 21 cents a barrel as the fee BP and Gulf commanded for continuing to run the production and exporting facilities.

The real dispute arose last month partly as a result of the continuing decline in world oil markets and the gloomy long-term prospects for oil sales. Kuwait asked the companies to include a "take or pay" clause in the part of the agreement concerning the amount of oil the companies would be allowed to lift daily during the first five years after the takeover.

Both sides had already agreed that each company would lift 550,000 barrels of oil a day, but faced with the "take or pay" clause, BP and Gulf said they could not guarantee to take more than 450,000 barrels a day each.

A further sign of the depth of the rift between the Government and the companies came last Thursday when BP and Gulf were not officially informed of a 10 cents a barrel cut in the premiums on Kuwait crude. Notices went out to companies buying oil direct from the Government.

## Oil-fired power station to burn more coal

By Our Energy Correspondent

One of Britain's biggest oil-fired power stations is to be modified to burn more coal. The decision to spend £4m on the work at Kingsnorth, Kent, station comes as the oil companies are threatening to load a substantial part of the coming price increase on to heavy fuel oil.

The Central Electricity Generating Board has already reduced the amount of electricity produced from oil and the modifications at Kingsnorth will give additional flexibility if there are further increases in the price of oil.

Conversion of Kingsnorth, the third largest oil-fired station in the country, will be serious blow to the oil companies who have seen deliveries of heavy fuel oil to power stations slump to 13.7 million tons from over 21 million tons last year. Kingsnorth burns over 2 million tons of oil a year.

Kingsnorth was commissioned as a dual-fired power station in 1973 and is placed eighth in the CEGB's list of the most efficient generating units. Although it was designed as a dual-fired station, only one of its boilers is equipped to burn either oil or coal or both at the same time.

The £4m modification programme will enable two more boilers to be fully commissioned as dual-firing units. All the main items of equipment such as mills to grind the coal are already installed but there is no pipework or control mechanisms for them.

Work will start during next summer's maintenance programme, but the second unit may not be converted until the summer of 1977. Contingency plans are being drawn up for converting the fourth unit.

Many of the oil companies would like to put an extra 5p a gallon on heavy fuel oil. Prices can be kept to between 21p and 31p a gallon.

The CEGB is unhappy at the prospect and is looking for ways, apart from the conversion of Kingsnorth, of reducing its oil consumption even further. It has been estimated that another million tons a year could be saved.

A further slump in oil consumption would make it even more difficult for the oil refiners to balance their processing operations. The power stations burn the thick, oily sludge that is left at the end of the refining operation and is only suitable for steam raising in large boilers.

To combat the fall in the market from the CEGB, most refiners have reduced the amount of crude oil they feed through and have adjusted the processing of the smaller amounts of oil to produce more petrol and less heavy fuel oil. Instead of accounting for about 16 per cent of refinery output, petrol now represents about 20 per cent.

While many of the oil companies do not want to trigger a further decline in the power station market, they also want to protect the petrol market which is already subject to heavy price cutting.

All the big oil companies have submitted applications to the Price Commission for permission to increase their prices by an average of about 4.5p a gallon. However, there is a spread of opinion on how the average figure should be dispersed among the various products.

There is a strong lobby in favour of protecting petrol at the expense of industrial users, but there are also companies that feel petrol could stand quite substantial increases in price.

## THF denial by Allied Breweries

By Our Financial Staff

Mr Keith Showering, newly appointed chairman of Allied Breweries, has strongly rebutted weekend suggestions that his group was planning to dispose of its 28 per cent shareholding in Trust Houses Forte.

Reports claimed that City institutions had been consulted over the past few weeks as to whether, and at what price, they might take some of Allied's 21.5 million shares. But Mr Showering said yesterday that as far as Allied was concerned anything that may have happened had been without the company's knowledge or consent.

He said that there had been no change in Allied's position, despite persistent rumours of a placing or a sale to Bass Charrington, the rival brewer, which has a 4 per cent holding in THF.

Allied bought its holding in THF in 1971 during its abortive bid attempt for the group. The current £25m market value of the holding was well below a purchase cost of nearly £40m, though the price has subsequently been written down in Allied's accounts.

Mr Showering said his group has received no approaches and that a sale was unlikely in the foreseeable future. He added, however, that in a rising market the position would obviously be kept under review.

He added that he would still be interested in bidding for Trust Houses Forte if terms could be agreed between the two groups.

## Imps brands up

Prices of Imperial Tobacco's cigarettes rise £10 from today because of inflation, stated the company.

Tobacco and cigar prices also go up, but prices of most of the company's king-size brands of cigarettes remain unchanged.

**99 BISHOPSGATE**

The City's top floors now available

To let in this modern office tower block. Each floor contains 10,766 sq. ft. and smaller units from 1,500 sq. ft. can be provided.

Amenities include:

- Air conditioning.
- 5 high-rise passenger lifts.
- High quality fixtures and finishes throughout.
- Telephone lines and equipment immediately available.
- Car parking.

SHOW SUITE OPEN DURING BUSINESS HOURS.

Joint letting agents:

**Vigers**  
Chartered Surveyors  
4 Fidelity Place, EC2  
01-606 7601

**Richard Ellis**  
Chartered Surveyors  
64 Cornhill, EC3V 3PS  
01-283 3090

**Berkeley Hambro**  
Property Company Limited



# Nissan offers help for Leyland sales

From Maurice Corina  
Industrial Editor  
Tokyo, Nov 16

Nissan Motor, which makes one third of Japanese cars, has offered to study any specific proposal or request British Leyland might put forward in seeking assistance for raising sales in Japan's home market. The offer comes just as Mr Cedric Talbot, British Leyland's new Far Eastern manager, has arrived here to review the prospects.

In answer to a direct question, Mr Tadashi Iwakoshi, the president of Nissan (annual sales £2.35m) told me: "If we had specific proposals or a request submitted to us by British Leyland, we would certainly be happy to study ideas for helping that company."

Mr Iwakoshi, who recently visited Britain—where Nissan's associate Datsun UK will this

year sell over 60,000 cars—also stated that his company would be happy to help in carrying British vehicles to Japan with its fleet of special car-carrying ships. One carrier has already taken Chrysler UK cars to Iran on a return journey from delivering Datsuns to Britain.

He added that Nissan had given no thought to the rescue of Chrysler UK, though more overseas assembly was being considered in the future planning for exports.

Nissan, which once made Austin cars under licence before developing its own models, gave British Leyland considerable factual advice earlier this year about the Japanese market, where total car imports from all sources hold an abysmal 1 per cent share.

In Britain, imports from Japan hold only about 10 per cent against 24 per cent for European imports.

British Leyland is believed to have prepared an internal preliminary report admitting to past errors of judgment in selling to Japan. The report apparently concludes that a more determined effort is needed. Distributors say prices of Leyland cars are too high

and delivery too erratic. An offer by Nissan's president to consider some collaboration with Leyland is seen here as a gesture of goodwill when Anglo-Japanese trade relations are threatened by talk of selective import controls.

Discussions between the Society of Motor Manufacturers and Traders and the Japanese Automobile Manufacturers Association are scheduled to take place next month on the whole problem.

An SMMT anti-dumping application on Japanese imports to Britain is at present suspended pending both government-to-government consultations as well as talks through their respective industrial associations.

There is no doubt that Japan's largest car importer, Datsun UK, has now begun restraining supplies of its vehicles to the British market. October shipments, which take six weeks to reach this country, were 3,591. Datsun UK is likely to sell around 65,000 cars next year—only a small rise on 1975 (where sales have latterly been voluntarily held back after their explosive increase in the first half of the year).

Policies being adopted by

other Japanese suppliers such as Toyota, Honda, and Mazda, are less clear, though a top Toyota man will lead the Japanese side in the discussions to be held with the SMMT.

It is understood that British embassy advice to Whitehall to try to avoid selective import controls on Japanese cars as this might disturb efforts to develop further the sales of British-made goods in Japan.

This week Mr Crosland, Secretary of State for the Environment, is in Japan and due to call on his transport counterpart. They may touch on the anti-emission exhaust regulations which imported cars must now meet, and which represent a formidable deterrent to future sales unless the suppliers adopt some costly engineering changes adding to the already high prices of vehicles imported into Japan.

Mr Toshio Nakamura, managing director of JAMA, the SMMT's counterpart organization, says he appreciated the involvement difficulties now being felt in the British car industry, but feels they could not really be blamed on Japanese imports. Indeed imports from Europe were far higher, he claimed.

## Strike call by unions at Pirelli

From John Earle  
Rome, Nov 16

A four-hour strike has been called for tomorrow at Industrie Pirelli plants to protest against the Italian rubber and cable maker's plan to dismiss 1,450 workers. The company's intention was revealed in a statement revoking its September 1973 agreement with the unions which, Pirelli says, has been overtaken by the recession.

It wishes to slim the 34,000 labour force as part of a 270,000 lire (£192m) rationalization programme, under which factories would specialize in the manufacture of one type of article.

Pirelli is the second Milan-based company to risk a head-on clash with the unions over dismissals. Leyland's subsidiary, Innocenti, is seeking 1,500 redundancies, but agreed under government pressure to delay any action till after its future is discussed by ministers on November 22.

In its statement Pirelli said it had lost 78,000 lire (£57.7m) during the four years 1971-74.

## 3,000 hotel closures predicted

By Patricia Tisdall

Severe cash flow problems and rising operating costs are referred to in a gloomy forecast of British hotel prospects being studied by the Hotel and Catering Economic Development Committee.

Commissioned from a group of consultants, the report examines industry prospects up to 1985. It concludes that if present trends continue more than 3,000 hotels could be forced to close over the next 10 years.

The report is intended to form a key part of the revised version of the Little Neddys

1972 study, Hotel Prospects to 1980, due to be submitted early next year. A summary appears in the trade magazine *Catering Times* this week.

It says that despite new building the industry has already seen a 4 per cent decline in the number of establishments, although the overall total of hotel bedrooms has increased. Nevertheless, in the light of current economic conditions much planned investment in new hotels was likely to be curtailed or even abandoned.

Growth in demand would probably be irregular and a real upsurge was not likely until

1980. Higher wage and other labour costs meant that self-catering and other non-conventional forms of accommodation provided the greatest opportunities for satisfying demand at the lower-priced end of the market.

The difficulty was that rising costs could make it difficult for traditional hotels to raise rents, without affecting potential business.

Recent falls in profitability experienced by many hoteliers were expected to continue in the short term. The real answer for the immediate future lay in improved efficiency.

## Subsidy scheme saves over 6,000 jobs

By David Young

More than 6,000 jobs have been effectively saved by the Government's temporary employment subsidy scheme, launched in August as a method of helping employers to avert redundancies, according to statistics issued by the Department of Employment.

They show that subsidies were approved for a total of 53 companies, involving 6,404 workers at a cost of £1,588,210.

Applications from 21 companies, involving 2,892 workers were rejected.

A grant of up to £10 a week is paid to employers to subsidize workers who might otherwise be made redundant. Initially the scheme applied only to the assisted areas, but it was extended in September to encourage companies with good long-term prospects to retain their skilled workers.

However, some companies say the £10 barely covers basic costs like National Insurance and other fixed charges, and a subsidy of up to two-thirds of the basic wage was required to make the scheme attractive. Pilkingtons, for example, has declined to support a joint application for subsidies with the General and Municipal Workers' Union.

In Wales there have been no applications so far for employment subsidies.

## COURTAULDS

### Interim Profit and Dividend

The Board have declared an interim dividend of 1.964p per 25p Ordinary Share to be paid on 12th January 1976 to the Ordinary Shareholders registered in the books of the Company as at the close of business on 13th November 1975. This dividend, together with the imputed tax credit, amounts to 3.022p (1974-75 2.748p). The cost of the interim dividend after deducting Advance Corporation Tax at 35% is £5.3m (1974-75 £5.5m after A.C.T. at 35%).

Results for the first six months of the 1975/76 financial year (which are unaudited) and for each of the two half years in 1974/75 are:

1974/75		1975/76 1st Half	1975/76 2nd Half
1st Half	2nd Half		
£m	£m	£m	£m
576.5	557.4	576.5	557.4
270.7	261.8	270.7	261.8
149.2	141.3	149.2	141.3
101.7	72.3	101.7	72.3
22.4	25.9	22.4	25.9
79.3	40.4	79.3	40.4
5.9	0.2	5.9	0.2
15.7	7.5	15.7	7.5
21.6	7.7	21.6	7.7
57.7	58.7	57.7	58.7
2.7	2.6	2.7	2.6
54.0	35.1	54.0	35.1
0.1	0.1	0.1	0.1
53.9	25.0	53.9	25.0

The trading results are in line with those foreseen in the Chairman's Statement in July. The reduction in profits compared with the corresponding period last year relates mainly to operations in the U.K. and France. It has been possible to recover only a third of cost increases through higher selling prices.

Paint and packaging products account for a high proportion of the reported results.

In the fibre and textile areas no general improvement is yet apparent and, although there are a few slightly encouraging signs, trading results for the second half of the year may be no better than those now reported.

Capital expenditures have been maintained at planned levels. The Group's cash balances and facilities amply provide for all foreseeable developments.

Courtaulds, Limited,  
18 Hanover Square,  
London W1A 2BB.

L. R. CROYDON,  
Secretary,  
13th November 1975

### NOTICE OF REDEMPTION

To the Holders of

### Compañía Anónima Nacional Teléfonos de Venezuela

8 1/2 % Guaranteed Sinking Fund Debentures Due 1987

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Trust Agreement dated as of December 15, 1972 providing for the above Debentures, the following Debentures bearing the following serial numbers have been selected for redemption on December 15, 1975, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest thereon to said date:

DEBENTURES OF \$1,000 EACH														
M-129	1167	2733	4570	5662	1693	7369	1131	10432	18734	13199	12548	12576	12576	12576
M-130	1168	2734	4571	5663	1694	7370	1132	10433	18735	13200	12549	12577	12577	12577
M-131	1169	2735	4572	5664	1695	7371	1133	10434	18736	13201	12550	12578	12578	12578
M-132	1170	2736	4573	5665	1696	7372	1134	10435	18737	13202	12551	12579	12579	12579
M-133	1171	2737	4574	5666	1697	7373	1135	10436	18738	13203	12552	12580	12580	12580
M-134	1172	2738	4575	5667	1698	7374	1136	10437	18739	13204	12553	12581	12581	12581
M-135	1173	2739	4576	5668	1699	7375	1137	10438	18740	13205	12554	12582	12582	12582
M-136	1174	2740	4577	5669	1700	7376	1138	10439	18741	13206	12555	12583	12583	12583
M-137	1175	2741	4578	5670	1701	7377	1139	10440	18742	13207	12556	12584	12584	12584
M-138	1176	2742	4579	5671	1702	7378	1140	10441	18743	13208	12557	12585	12585	12585
M-139	1177	2743	4580	5672	1703	7379	1141	10442	18744	13209	12558	12586	12586	12586
M-140	1178	2744	4581	5673	1704	7380	1142	10443	18745	13210	12559	12587	12587	12587
M-141	1179	2745	4582	5674	1705	7381	1143	10444	18746	13211	12560	12588	12588	12588
M-142	1180	2746	4583	5675	1706	7382	1144	10445	18747	13212	12561	12589	12589	12589
M-143	1181	2747	4584	5676	1707	7383	1145	10446	18748	13213	12562	12590	12590	12590
M-144	1182	2748	4585	5677	1708	7384	1146	10447	18749	13214	12563	12591	12591	12591
M-145	1183	2749	4586	5678	1709	7385	1147	10448	18750	13215	12564	12592	12592	12592
M-146	1184	2750	4587	5679	1710	7386	1148	10449	18751	13216	12565	12593	12593	12593
M-147	1185	2751	4588	5680	1711	7387	1149	10450	18752	13217	12566	12594	12594	12594
M-148	1186	2752	4589	5681	1712	7388	1150	10451	18753	13218	12567	12595	12595	12595
M-149	1187	2753	4590	5682	1713	7389	1151	10452	18754	13219	12568	12596	12596	12596
M-150	1188	2754	4591	5683	1714	7390	1152	10453	18755	13220	12569	12597	12597	12597
M-151	1189	2755	4592	5684	1715	7391	1153	10454	18756	13221	12570	12598	12598	12598
M-152	1190	2756	4593	5685	1716	7392	1154	10455	18757	13222	12571	12599	12599	12599
M-153	1191	2757	4594	5686	1717	7393	1155	10456	18758	13223	12572	12600	12600	12600
M-154	1192	2758	4595	5687	1718	7394	1156	10457	18759	13224	12573	12601	12601	12601
M-155	1193	2759	4596	5688	1719	7395	1157	10458	18760	13225	12574	12602	12602	12602
M-156	1194	2760	4597	5689	1720	7396	1158	10459	18761	13226	12575	12603	12603	12603
M-157	1195	2761	4598	5690	1721	7397	1159	10460	18762	13227	12576	12604	12604	12604
M-158	1196	2762	4599	5691	1722	7398	1160	10461	18763	13228	12577	12605	12605	12605
M-159	1197	2763	4600	5692	1723	7399	1161	10462	18764	13229	12578	12606	12606	12606
M-160	1198	2764	4601	5693	1724	7400	1162	10463	18765	13230	12579	12607	12607	12607
M-161	1199	2765	4602	5694	1725	7401	1163	10464	18766	13231	12580	12608	12608	12608
M-162	1200	2766	4603	5695	1726	7402	1164	10465	18767	13232	12581	12609	12609	12609
M-163	1201	2767	4604	5696	1727	7403	1165	10466	18768	13233	12582	12610	12610	12610
M-164	1202	2768	4605	5697	1728	7404	1166	10467	18769	13234	12583	12611	12611	12611
M-165	1203	2769	4606	5698	1729	7405	1167	10468	18770	13235	12584	12612	12612	12612
M-166	1204	2770	4607	5699	1730	7406	1168	10469	18771	13236	12585	12613	12613	12613
M-167	1205	2771	4608	5700	1731	7407	1169	10470	18772	13237	12586	12614	12614	12614
M-168	1206	2772	4609	5701	1732	7408	1170	10471	18773	13238	12587	12615	12615	12615
M-169	1207	2773	4610	5702	1733	7409	1171	10472	18774	13239	12588	12616	12616	12616
M-170	1208	2774	4611	5703	1734	7410	1172	10473	18775	13240	12589	12617	12617	12617
M-171	1209	2775	4612	5704	1735	7411	1173	10474	18776	13241	12590	12618	12618	12618
M-172	1210	2776	4613	5705	1736	7412	1174	10475	18777	13242	12591	12619	12619	12619
M-173	1211	2777	4614	5706	1737	7413	1175	10476	18778	13243	12592	12620	12620	12620
M-174	1212	2778	4615	5707	1738	7414	1176	10477	18779	13244	12593	12621	12621	12621
M-175	1213	2779	4616	5708	1739	7415	1177	10478	18780	13245	12594	12622	12622	12622
M-176	1214	2780	4617	5709	1740	7416	1178	10479	18781	13246	12595	12623	12623	12623
M-177	1215	2781	4618	5710	1741	7417	1179	10480	18782	13247	12596	12624	12624	12624
M-178	1216	2782	4619	5711	1742	7418	1180	10481	18783	13248	12597	12625	12625	12625
M-179	1217	2783	4620	5712	1743	7419	1181	10482	18784	13249	12598	12626	12626	12626
M-180	1218	2784	4621	5713	1744	7420	1182	10483	18785	13250	12599	12627	12627	12627
M-181	1219	2785	4622	5714	1745	7421	1183	10484	18786	13251	12600	12628	12628	12628
M-182	1220	2786	4623	5715	1746	7422	1184	10485	18787	13252	12601	12629	12629	12629
M-183	1221	2787	4624	5716	1747	7423	1185	10486	18788	13253	12602	12630	12630	12630
M-184	1222	2788	4625	5717	1748	7424	1186	10487	18789	13254	12603	12631	12631	12631
M-185	1223	2789	4626	5718	1749	7425	1187	10488	18790	13255	12604	12632	12632	12632
M-186	1224	2790	4627	5719	1750	7426	1188	10489	18791	13256	12605	12633	12633	12633
M-187	1225	2791	4628	5720	1751	7427	1189	10490	18792	13257	12606	12634	12634	12634
M-188	1226	2792	4629	5721	1752	7428	1190	10491	18793	13258	12607	12635	12635	12635
M-189	1227	2793	4630	5722	1753	7429	1191	10492	18794	13259	12608	12636	12636	12636
M-190	1228	2794	4631	5723	1754	7430	1192	10493	18795	13260	12609	12637	12637	12637
M-191	1229	2795	4632	5724	1755	7431	1193	10494	18796	13261	12610	12638	12638	12638
M-192	1230	2796	4633	5725	1756	7432	1194	10495	18797	13262	12611	12639	12639	12639
M-193	1231	2797	4634	5726	1757	7433	1195	10496	18798	13263	12612	12640	12640	12640
M-194	1232	2798	4635	5727	1758	7434	1196	10497	18799	13264	12613	12641	12641	12641
M-195	1233	2799	4636	5728	1759	7435	1197	10498	18800	13265	12614	12642	12642	12642
M-196	1234	2800	4637	5729	1760	7436	1198	10499	18801	13266	12615	12643	12643	12643
M-197	1235	2801	4638	5730	1761	7437	1199	10500	18802	13267	12616	12644	12644	12644
M-198	1236	2802	4639	5731	1762	7438	1200	10501	18803	13268	12617	12645	12645	12645
M-199	1237	2803	4640	5732	1763	7439	1201	10502	18804	13269	12618	12646	12646	12646
M-200	1238	2804	4641	5733	1764	7440	1202	10503	18805	13270	12619	12647	12647	12647
M-201	1239	2805	4642	5734	1765	7441	1203	10504	18806	13271	12620	12648	12648	12648
M-202	1240	2806	4643	5735	1766	7442	1204	10505	18807	13272	12621	12649	12649	12649
M-203	1241	2807	4644	5736	1767	7443	1205	10506	18808	13273	12622	12650	12650	12650
M-204	1242	2808	4645	5737	1768	7444	1206	10507	18809	13274	12623	12651	12651	12651
M-205	1243	2809	4646	5738	1769	7445	1207	10508	18810	13275	12624	12652	12652	12652
M-206	1244	2810	4647	5739	1770	7446	1208	10509	18811	13276	12625	12653	12653	12653
M-207	1245	2811	4648	5740	1771	7447	1209	10510	18812	13277	12626	12654	12654	12654
M-208	1246	2812	4649	5741	1772	7448	1210	10511	18813	13278	12627	12655	12655	12655
M-209	1247	2813	4650	5742	1773	7449	1211	10512	18814	13279	12628	12656	12656	12656
M-210	1248	2814	4651	5743	1774	7450	1212	10513	18815	13280	12629	12657	12657	12657
M-211	1249	2815	4652	5744	1775	7451	1213	10514	18816	13281	12630	12658	12658	12658
M-212	1250	2816	4653	5745	1776	7452	1214	10515	18817	13282	12631	12659	12659	12659
M-213	1251	2817	4654	5746	1777	7453	1215	10516	18818					











## FINANCIAL NEWS AND MARKET REPORTS

## Staffordshire Potteries growth in Kilncraft

present buoyant demand new 1976 Kilncraft has led Staffordshire to think that a production increase in the line is warranted. Mr. C. Bowers, in his annual review, says that plans and costs being worked out and given to the best of financing this expansion project. The company has been main-

ing up in general terms, says the future, never been more and margins will not under pressure until is brought under the board is con- range of products is e and in demand in pal markets of the. The company expects to are of the export and indom markets.

## electronics

urrent order book ar onics stands at more and in most plants are still being re- a satisfactory rate. The first three months current year are 15 per cent, Mr. M. Bates, chair- man, when a group is so upon the success of

## Loliff's subsidiary breakthrough

Wildi, chairman of Loliff, makers of and nylon webbings, eholders in his review. Loliff subsidiary has a breakthrough with pible granular and bulk "one-trip con-

Loliff products, he re designed to econo- labour and achieve a turn-round of ships and. As such the recession affected them as much. in car seat belts the 1 in new car output made up to a large ith webbings and belts seats, inertia seat belts, ebbing demand. Is uent, and the fitting of older cars.

## ELECTION CORPORATION

LIMITED  
The Republic of South Africa  
TO HOLDERS OF SHARE  
WARRANTS TO BEARER  
BY OF COUPON NO. 128  
reference to the notice of  
in of dividend advertised  
on 7th November, 1975,  
ring information on the  
vidence of holders of share  
to bearer.

vided of 48 cents per share  
ared in South African cur-  
South African non-resident  
share tax at 6.40227  
r share will be deducted  
dividend payable in respect  
to warrant holders in the  
dend of 36.59778 cents per  
dividend on bearer shares  
id on or after 18th Decem-  
5 against surrender of  
o, 120 detached from the  
and to bearer as under:-

ices of the following  
anal paying agents by  
the countries con-  
for payment in the  
the local currency:  
vit du Nord at Union  
Telenne,  
8 Boulevard Hausmann,  
is le.  
rgan Guaranty Trust Com-  
y of New York,  
on Bank of Switzerland,  
nholstrasse 45,  
ich.  
the Bank Corporation,  
Aachenstrasse 45,  
ic.  
ect of coupons lodged at  
ce of a continental pay-  
the dividend payment  
made in South African  
r to an authorised dealer  
ange in the Republic of  
Africa nominated by the  
tal paying agent. Instru-  
garding disposal of the  
e of the payment to  
ust be given to such  
nd dealer by the con-  
paying agent concerned.  
London Bearer Reception  
f, Charter Consolidated  
7, Rolls Building, Fins-  
London, EC4A 3HX,  
deling coupons at the  
Bearer Reception Office  
5th December, 1975  
yeld the United Kingdom  
equivalent of the  
value of their dividend  
December, 1975. In the  
coupons lodged at  
dend will, unless the  
requester payment in  
n address in the Repu-  
with Africa, be remitted  
London Bearer Recep-  
e through an authorised  
e Johannesburg at the  
sitting rate of exchange  
U.K. currency proceeds  
herefrom will be paid  
opositor concerned. The  
ust be left for at least  
ys for examination and  
seated any weekday  
cepted) between the  
a.m. and 2 p.m.  
adom income tax will  
from coupons paid in  
ion currency at the  
at Reception Office.  
coupons are accom-  
such deduction is  
net amount of the  
the United Kingdom  
value of 27.05 cents  
terms of sub-paragraph  
lved at as under:-

South African  
Currency  
per share

vidend de- 43

frican non- 36.59778

shareholders' 6.40227

me tax at 36.59778

the gross 8.64778

dividend 27.05

For and on behalf of

ICAN CORPORATION

THAFRICA, LIMITED

London Secretaries

D. H. J. Paterson

1975

company has been

in Commissioners of

to state:-

able tax agreement

with the Kingdom and

South Africa. The

non-resident share-

holders will be di-

vidend as a credit against

dom tax payable in

dividend. The deduc-

tion of the reduced rate

of at the basic rate

is an allowance of

## SMP rent hopes

Rem reviews now being agreed show very satisfactory increases in income for Scottish Metropolitan Property, writes the chairman in his statement. The completion of relet develop-

ments will further enhance property revenue over the next two years. He says there will be steady annual growth over the next 10 years even taken at today's level of rents.

## Shellbear surge

Turnover for the six months to end June at Shellbear Price (Holdings) showed a rise from £2.2m to £4.1m. The pre-tax profit also rose, but more modestly from £174,000 to £218,000. The board says that it must not be assumed that profits in the second half will be proportionately higher than in the first half, as has been the case in recent years.

Mr P. M. Price, chairman, adds: "Our operations in the

United Arab Emirates show promise and a return on investment should be forthcoming in 1976". It is intended to recommend the maximum allowed dividend for 1975, provided liquidity remains strong.

## Burndene trading is grim indeed

Mr D. T. C. Caldwell of Burndene Investments says that prospects for the coming year are uncertain. Sale and profits in the caravan manufacturing and site operating division were lower in the first quarter than in the same months last year. Margins were under pressure.

## Walter Lawrence

Walker Lawrence, the building and contracting group, which went public in July, looks poised for another good year. Mr Brian Fritchard, chairman, writes in his review that the level of contract work to be carried out indicates the group should not be materially

affected by reductions in the level of local and central government expenditure.

## SA Breweries

Details have been announced of the proposals designed to make Stellenbosch Wines Trust a subsidiary of South African Breweries (SAB). Union Acceptances and Standard Merchant Bank jointly report.

SAB already owns approxi- mately 30 per cent of the ordi- nary capital of Stellenbosch and Government approval has been granted to SAB to increase its equity holding up to 100 per cent.

## Seton Group

Overseas earnings by the Oldham-based Seton group of companies reached record levels in the year to end-August. The family-owned manufacturers of specialist surgical dressings and hospital equipment are winning an increasing share of the home market.

Group sales increased by more than 20 per cent over the previous year, while gross ex- ports rose by 40 per cent. Success in the overseas market has been achieved by a steady expansion in the number of distributors.

## Briefly

## ANDERSON'S RUBBER

On sales up from £1.01m to £1.15m in half-year to July 31 pre-tax profits rose from £51,000 to £67,000.

## HAIGHTON &amp; DEWHURST

Since end of financial year, demand has "substantially in- creased" and profits for first six months should be much higher than same period last year, chairman reports.

## ELSWICK-ROFFER

Turnover for half-year to July 31, £2.57m (£1.89m). Pre-tax profit, £173,000 (£193,000). Interim payment raised from 0.43p gross to 0.46p.

## PORTER CHADBURN

Turnover, £4.15m (£3.53m) for half-year to July 3. Pre-tax profit, £222,000 (£237,000). Board con- sideres second-half's profit should not be less than first's.

## MEDMINSTER

Pre-tax profit for year to end- June, £81,000 (£100,000), including profit on sale of freehold prop- erty, nil (£7,000). In turnover, and equipment, £11,000 (£7,000), and aircraft and motor vehicles loss, £5,000 (profit, £1,000). Total payment, 2.5p gross (same).

## EXTERNAL INV. TRUST

Present estimates show there should be a "substantial in- crease" in amount available for distribution for year to end- March.

## MAJEDIE INVESTMENTS

Profit, after tax, for year to September 30, £140,000 (£139,000). Profit after tax on sales of in- vestments, £867,000 (£46,000) and profit after tax on sale of Saggs Estate, nil (£597,000), making total of £1,02m (£782,000).

## ALEXANDER STEPHEN

Chairman says engineering co. is expected to break-even by end of year. The Shiprepair co. is find- ing orders harder to come by and will not reach last year's level of profit.

## BRANDIS IN FILM AIR LOAN

Brandis, Ltd. signed film loan to Pacific Western Airlines, based at Vancouver. Pacific is purchasing a Boeing 737 flight simulator from British Flight Simulation Ltd. Loan arranged on behalf of Lloyds Bank and guaranteed by ECGD.

## TALTEX

Chairman states that economic background provides a forecast. Group overdraft has been reduced during year from £300,000 to £321,000.

## WANKIE COLLIERY

Salary—Wankie Colliery can- not expect a worthwhile increase in sales of any of its products this year unless the world economic situation improves. Chairman Sir Keith Acutt said in the annual report.—Reuter.

## AMERICAN MOTORS

A net loss of \$27.5m (£13.75m) (profit \$27.5m) was made in 1975. \$2,300m (\$2,000m) is returned for year to September 30. Board is cautiously optimistic about 1976 prospects.

## MERCURY SECURITIES

The directors of Mercury Securities (agents of S. C. War- burg) report that group's profits for first six months of current year (to March 31) are higher than those for corresponding period of the previous year.

## ROBERTS ADLARD

Interim dividend 1.3125p a share (same), for six months to June 30, £2.75m (£2.75m); estimated net profit, £74,000 (£80,000), after taxation of £80,000 (£95,000).

## TRUSTS' BACK-TO-BACK LOANS

Scottish Western Investment, Calenderston Investments, Calenderston and Second Great North- ern Investment Trust have negoti- ated a sterling-yen back-to-back loan for a three-year period from November 12 of the equivalent of £1m, £400,000, £500,000 and £500,000 respectively. The yen loan will be used to buy silver as an overseas portfolio investment.

## LONDON SHOP PROPERTY TRUST

Weighty problems continue to

confront business, but group has no liquidity problems and letting position is good.

## ELECO HOLDINGS

Although group unlikely to match record profits of last year, there are favourable factors. Growing sales and a strong balance sheet are "significant contributions".

## EQUITY INCOME TRUST

Mr James Roe says further swings in share prices should be expected. Board favours com- pany with high proportion of over- seas assets and earnings.

## BERMID QUALCAST VENTURE

Bermid Qualcast has announced plans for a joint venture in con- junction with Messins (Transvaal) development for the development of a new automotive foundry in South Africa, to be completed in the second quarter of 1977, at a total cost of some £6m.

## SOUTH WEST AFRICA CO

On present indications there will be further drop in the after-tax profit this year, but it should be possible to maintain dividend.

## ALIDA PACKAGING

Alida Packaging's forecast last year was upset by an abrupt fall in demand, and sadly the down- turn continued since the six months to September 30. On sales down from £3.94m to £2.25m, pre-tax profits slumped from £253,000 to only £20,000.

## R. GREEN PROPERTIES

On turnover increased from £2.14m to £4.07m for the year to June 30, pre-tax profit of R. Green Properties declined from £364,000 to £22,000, despite share earnings from 0.75p to 0.45p.

## INT TELEPHONE

International Telephone and Telegraph has raised the third quarter dividend from 38 cents to 40 cents, despite lower net earn- ings. The board reports that net income fell from \$111m (£53.8m) to \$82m. Revenue rose a bit from \$2,715m to \$2,722m.

## Export quotas the key question in negotiations for a coffee pact

Two major points have so far emerged from the negotiations going on in London for a new International Coffee Agree- ment. The first is that a "loud and clear" warning from the United States delegation that quota restrictions are out of the question for anything up to four years seems to have had due impact in the eight- nation group which is trying to assemble a framework for a pact.

Secondly, Brazil is in no mood to allow her position as a major world supplier to be eroded because of the July frost disaster.

The United States position was put last week by Mr Julius Katz, head of the Ameri- can delegation to the talks. He said that the United States saw the proposed new agreement as important, if only as a stand- by mechanism, but it expected a "free for all" in the world coffee market for the next few years.

The present pact could be extended until the end of Sep- tember, 1977, or a new agree- ment could be negotiated with export quotas and other econo- mic clauses suspended until the market came back to normal. Although producers and con- sumers were agreed that export quotas must be suspended so long as the present shortage lasted, the problem was how it was to be done.

In group discussions which have followed Mr Katz's state- ment, it seems clear that the proposal will be for a pact last- ing three years, during the first three of which export quotas would be suspended. At the end of the three-year period, the council of the International Coffee Organization would dis- cuss what to do about the final two years if there was still a coffee shortage.

Exports quotas would be flexible, with 70 per cent of each producing country's quota remaining unchanged for the life of the pact, the remaining 30 per cent being negotiated annually on the basis of re- serves in producers' warehouses, or export performance in the preceding coffee year, or both. Should the coffee shortage at the end of the three-year stand- still be so acute that reserves were exhausted, previous ex- port performance would, of

## Commodities

course, be the only criterion available.

Written in to such a deal would be safeguards should coffee prices drop suddenly or begin a gradual slide. In the first case export quotas would come into force if prices were below an agreed level for an agreed period; in the second case quotas would come into force only if the average price went beneath a level to be agreed.

Producers and consumers must reach agreement on what constitutes a shortfall—whether a failure in production or failure to fill an export quota—and at what level a shortfall is declared. Producers must settle contention among them- selves about allocation of the 70 per cent fixed element of the export quota.

## 'Lost identity' of silver

Some readers have written in recent weeks to say that they have noticed that the price of silver seems to be tied to United States grain prices and asking why this should be so.

Under the headline, Lost Identity, Green's Commodity Market Comments mashes on this, saying that silver price fluctuations are being explained by many market watchers in relation to the movements in grains or gold. "This new fad is befuddling the issue of where silver prices are headed, since silver fundamentals are unlike those in grains or gold."

"Silver", says Green's, "must regain its own identity and the crowd psychology of relating silver to grains and gold must cease before silver prices can again move up or down on the strength of silver's specific fundamental and technical reasons."

It is pointed out that the recent disclosure by the United States Commerce Department that the GNP in the third quar- ter had increased by 11.2 per cent annually would normally have propelled the price of sil- ver upwards as the metal usu- ally follows or outperforms percentage increases or de- creases in the GNP.

"However, since the disclo- sure of a 11.2 increase in GNP coincided with weakness in grains, it was that weakness which was used as an excuse for the decline in the price of silver."

"The theory that when grains are going higher the rate of inflation will be greater, there- fore should buy silver as an inflation hedge, is well documented either, since grain prices can go up in a deflationary period when the country is in a depression, if the weather is bad and crops are smaller, thereby driving prices contra-cyclical."

While never considering silver to be a particularly good hedge against inflation, Green's expected its price to go higher because it is, they say, the only metal which is a commodity in excessing yearly production.

Saying that not only are the present fundamentals of silver promising, but the long-term picture also seems to be ex- ceptionally bright. Green's points to silver supply-demand relationship figures recently published by the United States Bureau of Mines. These show that the net United States primary demand in the 10 years 1964-73, after deducting second- ary recovery, amounted to 1,800m ounces.

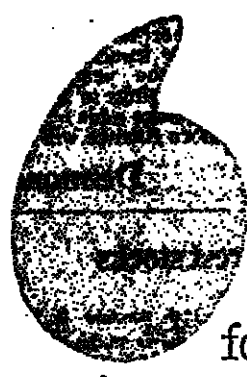
On the other hand, total United States silver production over the same period was only 388.3m ounces, for a net com- bined deficit of over 1,400m ounces.

Even allowing for substan- tial use of silver for coinage in 1964 and 1965, the net deficit was close to 1,000m ounces "and there is nothing on the horizon that can change this pattern. This wide gap between production and consumption exists not only in the United States, but the rest of the world also produces less silver than it consumes."

Sooner or later, say Green's, depleted inventories will have to be replaced by consuming industries both in the United States and overseas. It is be- lieved that in Japan the demand for silver will start increasing in the first quarter of 1976 and in western Europe some time next summer, to coincide with economic expansion in those countries.

Wallace Jackson  
Commodities Editor

# Why EMI is in business



We exist to provide goods and services for customers across the world... and to create prosperity.

Prosperity is essential for providing job security... opportunities for career advancement... profits for re-investment in the business... and a return to stockholders, including pension funds.

We need greater recognition of the interdependence that exists between stockholders, management and employees. But to ensure collective prosperity there has to be a collective will.

At this time, we all need to resolve to improve our collective efforts to ensure national economic survival — and so our prosperity. Without it we are all losers...

The Board and Management of EMI recognise their responsibilities in all these respects.

John Read  
Chairman of the EMI Group

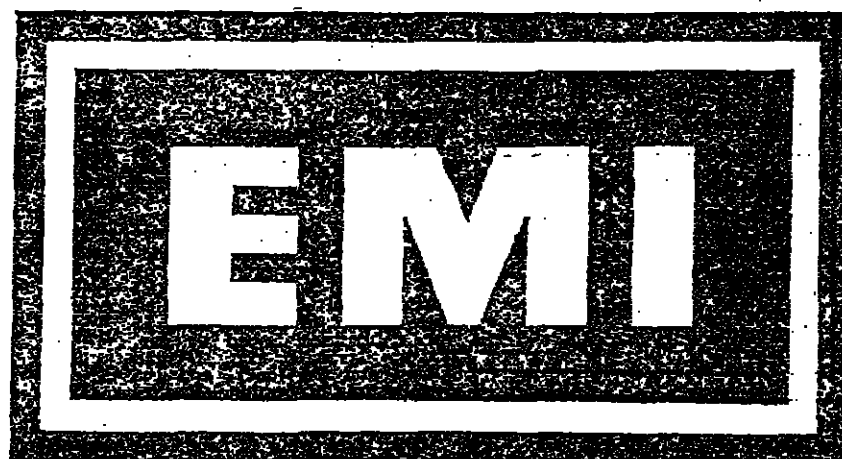
Further highlights from the  
Report and Accounts and Chairman's  
Review for 1974/75, now published:

- Group worldwide sales exceeded £500 million for the first time.
- Pre-tax profits at £34.9 million were within 1 per cent of last year's record level. Out of this, £19.5 million was paid in tax.
- Medical electronics, headed by the revolutionary EMI-Scanner X-ray diagnostic equipment, produced excellent results through outstanding export performance.

Leisure operations achieved higher profits due largely to the success of international film business, including 'Murder on the Orient Express'.

Worldwide music operations maintained satisfactory sales and profitability levels in most territories.

Despite difficult trading conditions, bright prospects exist for the EMI Group, especially in overseas markets where 60 per cent of its business is undertaken.



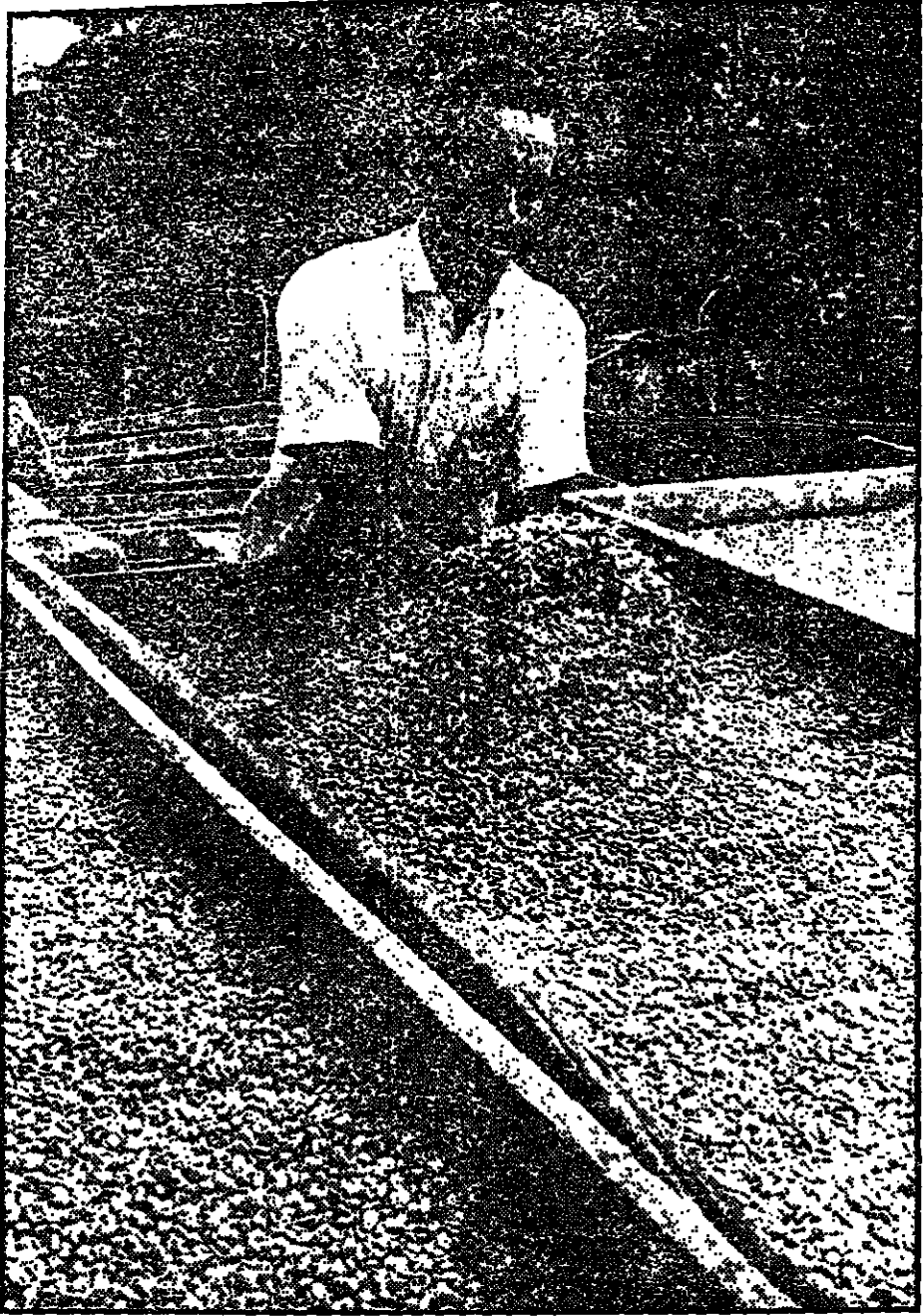
International leaders in music, electronics and leisure.

Operating in 32 countries worldwide with over 66,000 stockholders and 48,000 employees.  
Group Head Office: EMI House, 20 Manchester Square, London W1.



# COFFEE

a Special Report



The July frosts in Brazil, which hit coffee plantations in Paraná São Paulo and southern Minas Gerais, wiping out at least half the 1976-77 crop, have played a large part in turning the coffee producing industry upside down.

Bache & Co, the London brokers, summed up the situation in the first of their regular market reports to appear after the disaster.

"We believe it is no exaggeration to say that the events of the nights of last Wednesday and Thursday in Brazil have changed the whole complexion of coffee as a commodity for some years ahead."

"A commodity suffering a surplus over many years, with the consequent need of an agreement which principally benefits producers, and at the same time a rather slow rate of growth globally, has to make a dramatic reassessment when such a short-fall suddenly emerges," the report went on.

In essence a Brazilian crop, variously assessed for 1976-77 at 28 million 60-kilo bags—that is the crop harvested in the middle of next year—could be reduced by 50 per cent. With stocks thought to be in the area of 15 million bags the tightness of the situation becomes apparent. Crops of other major producers at this point do not appear likely to be particularly prolific.

The obvious effect of the Brazilian disaster has been on prices—both producer prices and at the retail level—but the catastrophe has called into question the whole future of coffee plantations in Brazil and stimulated producers elsewhere into re-evaluating and improving their plantations.

After the disaster the first thought of many Brazilian plantation owners was to switch the major part of their holdings to the production of soy beans, which are in world demand, give a faster return and are less at the mercy of the weather.

An added attraction is that

the Brazilian climate and the richness of the soil make it possible to grow wheat crops on the same land given over to the soy bean. During the past 10 years much Brazilian land has been turned over to the bean. Last year, for the first time the bean earned more revenue than coffee and Brazil is now in third place, behind the United States and China, as a soy bean exporter.

But countering the initial urge to pull up the coffee trees and get out has been the fact that the Brazilian growers are making a killing with the current crop. They are getting prices 50 per cent higher than before the frosts and for the immediate future it seems that this will continue.

But growers who are looking further ahead have realized that now is the time to revise an outdated production system that in any case needed replacing.

The traditional method has been to plant the coffee trees four to one hole and the clusters have been so close together that all work on the trees, including spraying, had to be done by hand. This

meant sizable and expensive labour forces.

The modern method is to plant single trees, 18 to 20m apart, and to leave aisles in between the rows sufficiently wide for tractors to be used in the cultivation process. This means that the labour force can be halved.

A switch to this more up-to-date method would go some way to answer criticisms which have been levelled at some plantation owners on the ground that they have preferred to keep profits from trees 20 to 30 years old instead of ploughing back money to improve the holdings.

But there is a drawback: if the same newer technique were to spread to soy bean growing methods, more than a million Brazilian farmhands could be without jobs once the changeover was completed.

A further danger to Brazil's future as a coffee exporter lies in the fact that short-sighted producers, by cashing in on the prices boom, may price themselves out of what is a declining market.

Senhor Arturo Gomez

Jaramillo, manager of the Colombian Coffee Growers' Federation, speaking of the effect of the Brazilian frost damage on output in other coffee-growing areas, said that future Brazilian frosts would never again have similar effects on world coffee prices.

In 1957 Brazil supplied half the world's coffee; today it supplies only 32 per cent. And if output increased in other areas, Brazil's share of the world market could fall to a quarter. But there is a further danger: if world coffee export surpluses swing into the hands of countries which lack structures to manage the coffee market, this could have a serious impact on prices, Senhor Gomez observed.

He saw world coffee supplies being normal in 1976. There were export stocks available to cover demand in 1976-77. By 1977-78 the situation would depend on the volume of the Brazilian crop and by then it should be possible to evaluate the effects of higher prices on output in other areas.

In that year supplies would be normal if overall output reached the level of 44,000,000 60-kilogramme bags forecast by the International Coffee Organization. The Brazilian crop was expected to increase to 15,000,000 bags in 1977-78 from an expected 8,000,000 bags in 1976-77.

The effect of the frosts on prices is clearly shown by events in the London coffee market. Immediately after the frosts the July spot price jumped from less than £500 a metric ton to £860, then settled back to about £750. During August, September and October, prices extended between £736 and £781 a cove and in September the range of spot was between £684 and £757. During October the pattern for November was similar.

Retail price reactions in the United Kingdom are likely to be that during the autumn shop prices of both blended and instant coffees will be well up. Instant coffee retailing at about 40p a jar may well be as much as 8p more.

In the United States the

price trend is upwards, as immediately after the frosts rises in prices by America coffee roasters raised retail prices by 20 cents a pound and now General Foods, the largest roaster, have a revised customers of a new retail averaging 7 cents a lb of ground coffee, 14 cents a lb of instant and 1 cent a lb of freeze-dried. This is expected to raise retail price by about a further 5 cents a lb. It is thought that ground coffee could retail for much as \$1.54 a lb.

General Foods gave reasons for the new increase: rising green coffee prices, transport problems in Africa because of the Angolan political unrest and inflationary pressures on packaging and manufacturing.

Nor are the prospects bright for a drop in prices so long as the producing nations withhold supply from the market to keep prices firm. In the United States that has meant coffee is no longer used as a loss leader.

Wallace Jackson  
Commodities Editor

## Colombia feels the strain

As the world's number two coffee producer, Colombia has been placed in a delicate position by Brazil's misfortune. On the one hand there is the temptation to rush in and expand plantations to plug the gap; on the other there is the unclouded prospect of the high prices which have resulted.

The most vocal Colombian has been Senhor Arturo Gomez Jaramillo, manager of the country's Coffee Planters' Federation, and he has left no doubt where he stands. "Any action to accelerate production is an action which means shortening the cycle of good prices," he said.

Ever since July, Senhor Gomez has been issuing warnings against any action which might lead to a market picture. At the same time he has stoutly defended the idea of a new international coffee agreement, which he sees as the best system to manage and administer a world coffee policy.

However, Senhor Gilberto Arango Londono, who is chairman of the National Coffee Exporters' Society, takes a different view. He wants Colombia to produce to fill the gap left by lower Brazilian output and has proposed that domestic output should be increased by 200,000 to 300,000 bags.

## Africans call for a better deal

During the coffee year ended September 30, Colombia coffee export registries totalled 7,898,504 bags and Senhor Arango reported that 1974-75 shipments were 7,542,118 bags, compared with 7,400,000 in 1973-74.

He forecasts prices for Colombian beans in the international market in the new season at 85 cents a lb. Another effect of the Brazilian disaster has been to arouse the African coffee-producing nations and make them call for a better deal for themselves. The International Coffee Organization (ICO) has been meeting recently in Nairobi, and Mr Jeremiah Nyagah, Kenyan Minister of Agriculture, has said that although the Brazilian frosts had raised world prices, the price was by no means too high and should serve as the basis for future price negotiations between producer countries and consumers.

Exports of ICO members had increased 7 per cent to 36 per cent of world exports in the past five years. It was essential that future export quotas for coffee should be based on real export trends, not on artificial ones.

Mr J. J. Mungai, Tanzania's Minister of Agriculture and the chairman of IACO, said it was certain that the Brazilian frosts would reduce the world supply of coffee over the next four years.

There must be a welding together of the African group to produce a firm collective stand in the meeting of the International Coffee Organization, so that Africa's role as a major producer and exporter was fully recognized in the third international coffee agreement now being negotiated.

The climate for negotiation had changed substantially since mid-1975 and importing countries could be

expected to be keener now than they were last June to conclude with producer countries an agreement that would guarantee a regular supply and established price ranges.

Mr Mungai said that African producers, with other producing countries, always had been ready to offer a regular supply in return for the assurance of stable, equitable incomes. Africa welcomed the changed attitude of the United States towards the International Coffee Organization and hoped that Africa would be able to state clearly what it was seeking in negotiating the third agreement.

There were four main elements which producers wanted to be included in a new agreement: guaranteed minimum prices, mechanism to compensate for devaluation and inflation, equitable market sharing and special consideration for mono-crop economies and less developed countries.

The African belief is that the previous price mechanism for coffee was not adequate and they want to see it replaced by a guaranteed minimum price arrangement which, they say, would enable countries to plan in advance on the basis of projected minimum export earnings.

The Tanzanian minister has emphasized that when the price of coffee is compared with that of manufactured goods which the African states have to import, it becomes obvious that the terms of trade have moved against the coffee-exporting

countries. He says that an initial objective must be the restoration of coffee earnings to the level before the inflation of the 1970s.

He wants the African countries to support a change in the value in which coffee prices are quoted and measured against special drawing rights, to lead to the automatic adjustment of indicator prices.

On buffer stocks, he believes that if these are to be established for coffee, their financing must involve not only producers but consumers as well, an ideal towards which the International Coffee Council has moved with a clause in its new agreement calling for voluntary contributions from consumers.

As far as small producers are concerned, especially

mono-crop countries, Mungai believes that increases could best be secured by either waiving quota restrictions for them or by establishing a hardship fund for those producers for whom stock retention is impossible.

The mood of the delegates to the IACO conference clearly has been that coffee prices are not yet enough in their view, a committee within the conference has been considering ways of handling coffee to ensure an adequate return for their crops.

Among other moves coffee-producing countries in the Philippines have formed an export marketing group to take advantage of higher world prices.

## BRAZILIAN COFFEE INSTITUTE

Brazilian Embassy,  
32 Green Street,  
London W1Y 4AT



### Main Offices in Brazil

Brasilia  
(Headquarters)  
Santos  
Paranaguá  
Salvador  
Rio de Janeiro  
São Paulo  
Curitiba  
Recife  
Vitória Londrina

### IBC BRANCHES

#### Beirut

Riad El-Solh Street,  
Banque Libanaise  
Pour le Commerce Building,  
Beirut,  
Lebanon.

#### Hamburg

Brasilianisches Kaffee  
Institut,  
Roedingsmarkt 39/III,  
Hamburg II,  
Germany.

#### Japan

Brazilian Government  
Coffee Institute,  
2-4 Chome, Muromachi,  
Nishinbashi, Chuo-Ku  
Toh-Ei Building,  
10th Floor,  
Tokyo,  
Japan.

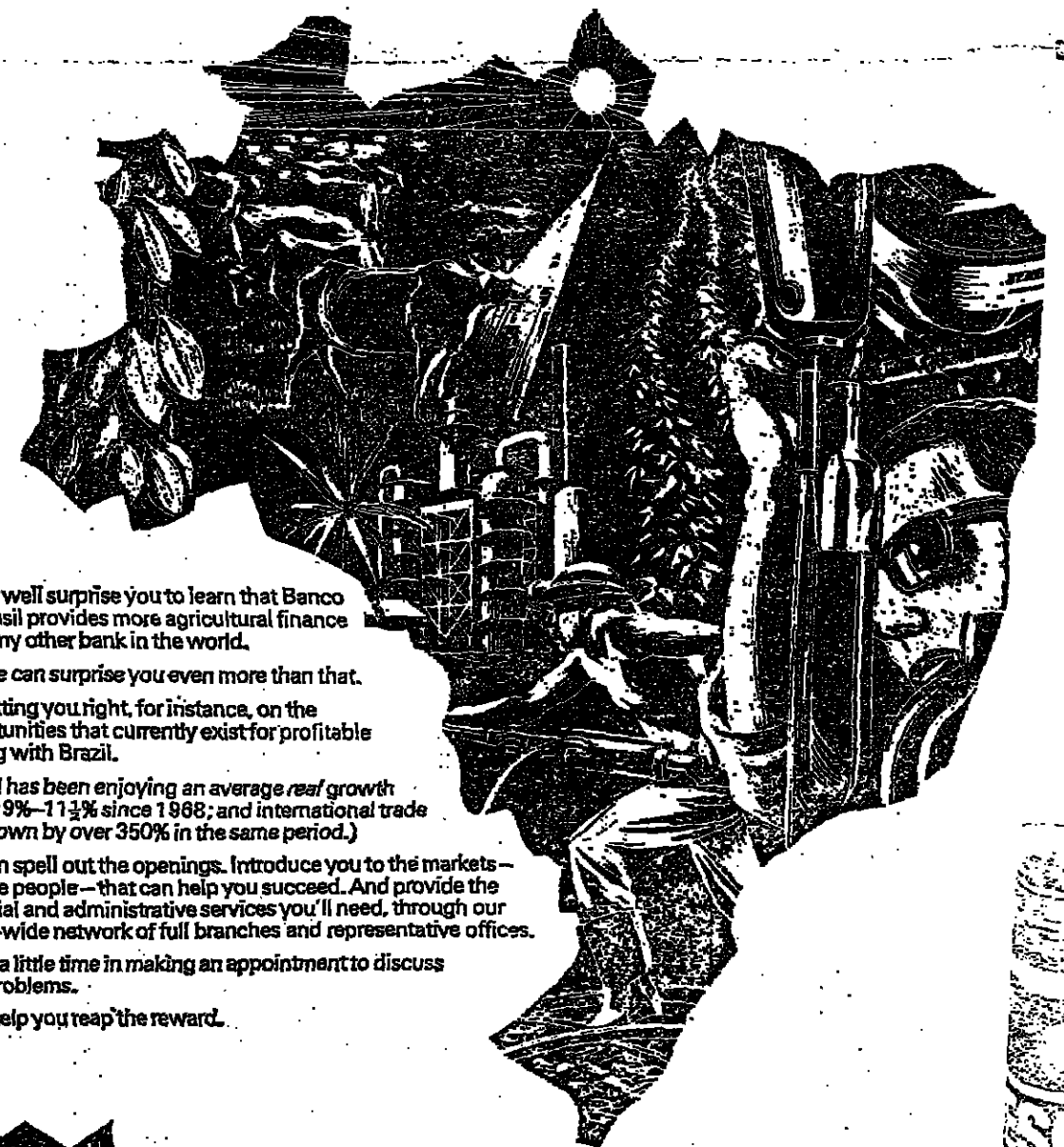
#### Milan

Instituto Brasileiro do Café,  
12 Corso Europa,  
20/22 Milan,  
Italy.

#### New York

Brazilian Coffee Institute,  
767 Fifth Avenue,  
39th Floor,  
New York, N.Y. 10022,  
U.S.A.

## How can the world's largest agricultural bank help you in the City?



It may well surprise you to learn that Banco do Brasil provides more agricultural finance than any other bank in the world.

But we can surprise you even more than that.

By putting you right for instance, on the opportunities that currently exist for profitable trading with Brazil.

(Brazil has been enjoying an average real growth rate of 9%-11% since 1968; and international trade has grown by over 350% in the same period.)

We can spell out the openings. Introduce you to the markets—and the people—that can help you succeed. And provide the financial and administrative services you'll need, through our world-wide network of full branches and representative offices.

Invest a little time in making an appointment to discuss your problems.

We'll help you reap the reward.

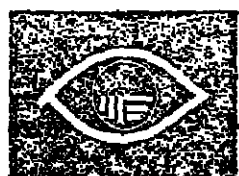


**BANCO DO BRASIL S**  
Growth is our business. Shouldn't it be yours?

Foreign network: London, New York, San Francisco, Los Angeles, Paris, Hamburg, Frankfurt, Lisbon, Madrid, Milan, Rome, Amsterdam, Rotterdam, Stockholm, Tokyo, Mexico City, Panama, Colon, Toronto, Buenos Aires, Montevideo, Asuncion, La Paz, Santa Cruz de la Sierra, and Santiago de Chile.

Opening shortly: Beirut, Chicago, Caracas, Cochabamba, Lagos, Puerto Strossener and Tehran. Banking correspondents throughout the world, and over 900 full branches in Brazil.

London Branch: 15/17 King Street, EC2P 2NA. Telephone: 01-406 7101. Telex: 888658



**GRADE BY FLAVOUR**  
SORTEX 1421 machine—another unique breakthrough from Britain's leader in electronic colour sorting.

Gunson's Sortex Limited

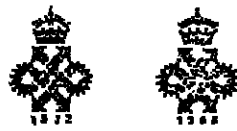
Fairfield Road London E3 2QQ England

Telephone 01-980 4888

Telex 262773

Telegrams Sortey London

**UP-GRADES COFFEE WORLDWIDE**



**GRADE BY COLOUR**  
SORTEX 1161 machine



escafé



1955	16.5	9.1		
1956	16.2	8.9		
1957	16.0	8.8		
1958	15.7	8.7		
1959	15.4	8.5		
1960	15.1	8.3		
1961	14.8	8.1		
1962	14.5	7.9		
1963	14.2	7.7		
1964	13.9	7.5		
1965	13.6	7.3		
1966	13.3	7.1		
1967	13.0	6.9		
1968	12.7	6.7		
1969	12.4	6.5		
1970	12.1	6.3		
1971	11.8	6.1		
1972	11.5	5.9		
1973	11.2	5.7		
1974	10.9	5.5		
1975	10.6	5.3		
1976	10.3	5.1		
1977	10.0	4.9		
1978	9.7	4.7		
1979	9.4	4.5		
1980	9.1	4.3		
1981	8.8	4.1		
1982	8.5	3.9		
1983	8.2	3.7		
1984	7.9	3.5		
1985	7.6	3.3		
1986	7.3	3.1		
1987	7.0	2.9		
1988	6.7	2.7		
1989	6.4	2.5		
1990	6.1	2.3		
1991	5.8	2.1		
1992	5.5	1.9		
1993	5.2	1.7		
1994	4.9	1.5		
1995	4.6	1.3		
1996	4.3	1.1		
1997	4.0	0.9		
1998	3.7	0.7		
1999	3.4	0.5		
2000	3.1	0.3		
2001	2.8	0.1		
2002	2.5	-0.1		
2003	2.2	-0.3		
2004	1.9	-0.5		
2005	1.6	-0.7		
2006	1.3	-0.9		
2007	1.0	-1.1		
2008	0.7	-1.3		
2009	0.4	-1.5		
2010	0.1	-1.7		
2011	-0.2	-1.9		
2012	-0.5	-2.1		
2013	-0.8	-2.3		
2014	-1.1	-2.5		
2015	-1.4	-2.7		
2016	-1.7	-2.9		
2017	-2.0	-3.1		
2018	-2.3	-3.3		
2019	-2.6	-3.5		
2020	-2.9	-3.7		
2021	-3.2	-3.9		
2022	-3.5	-4.1		
2023	-3.8	-4.3		
2024	-4.1	-4.5		
2025	-4.4	-4.7		
2026	-4.7	-4.9		
2027	-5.0	-5.1		
2028	-5.3	-5.3		
2029	-5.6	-5.5		
2030	-5.9	-5.7		
2031	-6.2	-5.9		
2032	-6.5	-6.1		
2033	-6.8	-6.3		
2034	-7.1	-6.5		
2035	-7.4	-6.7		
2036	-7.7	-6.9		
2037	-8.0	-7.1		
2038	-8.3	-7.3		
2039	-8.6	-7.5		
2040	-8.9	-7.7		
2041	-9.2	-7.9		
2042	-9.5	-8.1		
2043	-9.8	-8.3		
2044	-10.1	-8.5		
2045				

Consumer Goods	173.52	6.33	11.12	2.17
Services	59.34	5.61	7.25	0.23
Financial				
Financial shares	191.32	5.50		1.89
Financial and				
preference stocks	159.65	6.02		1.61
Community shares	227.00	4.18	11.98	-1.49
Good billing				
shares	486.31	5.82	10.18	25.23
Industrial				
preference stocks	77.63	8.80*		-0.35
Industrial				
preference stocks	15.93	14.14*		+6.22
J.P. War Loan	2296	36.68*		44

A record of The Times Industrial Share  
Indices in Great Britain

	High	
31/1/1914	194.47 (85.98, 72)	80.18 (32.12, 74)







## Rising prices and doubts over supplies worry British trade

Kingdom coffee consumption had been going up slowly and steadily by about 1 per cent a year until 1974 when growth was at a standstill, probably mainly affected by consumer resistance to the rise in prices in late July when the Brazilian crop disaster was known and prices went up by more than 40 per cent within a week.

By mid-October this year stocks were considered low and traders said they could go lower still as "roasters" were unwilling to stock up from January last year. The trade, however, can still count on an availability of about 10,000 tonnes or about 170,000 bags in green coffee equivalent.

High prices seem to have caused some consumer resistance both in the United States and in the United Kingdom, which is making roasters cautious about stocking up. They also know that the higher cost of money has increased warehousing outlay by about 30 per cent in less than six months. The trade, both importers and roasters, is also waiting to find out the levels at which producers and consumers in the International Coffee

Organization (ICO) are going to set the price ranges of the next International Coffee Agreement (ICA), which comes up for negotiation this month.

The difficulty in establishing whether consumer resistance has set in or not is illustrated by this contradiction: while prices have been rising in the wholesale market, supermarket shelves remain fully stocked. The reason for this is that the big chains, fearing still higher prices, are stocking up and cashing in on the discounts offered by wholesalers to bulk buyers. The supermarket still considers coffee a loss-leader and helped by the discount sells his jars or tins of coffee at almost cost price. A 4oz jar of instant coffee sold in supermarkets at 49p to 51p is sold in small shops at about 56p to 58p which is about the true price.

However, high prices are still the main danger to the trade. Coffee futures, and London deals mainly in African Robustas, rose in mid-October from £32.75 a tonne to £74.95. Uganda Robusta 10, to single out one of the types mainly used in blending, went from 47 cents to 72.5 cents a lb. Arabica Futures on the London mar-

ket rose from about 46 cents a lb in June to 92.20 cents a lb. Trade discounts, of course, mean much lower prices than those on the terminal market, but they are still high.

There are indications that prices could rise further and rise steeply. The Brazilian shortage will hit markets next year and unless nobody will be able to judge what amount of coffee will be available from other sources and at what price.

Even if importers and roasters continue to hesitate, the normal day to day buying for current requirements is sure to push prices up. And as prices go up because of the shortage, the exporters will argue, and rightly so, that inflation in the past 12 years has diminished the purchasing power of their foreign currency earnings to such an extent that, in real terms, the current market price of coffee is no higher than it was in 1963. The housewife, if she had the time and patience to calculate herself, would find that, in comparison with coffee, the price of sugar, cocoa or meat and fowl has gone up even more.

Of the two million bags of

coffee consumed every year in the United Kingdom about 600,000 are in instant coffees or slightly below a third of the total consumption. And it is noteworthy to establish that about 50 per cent of instant comes from Brazil. Whether Brazil can maintain that effort is open to question. But since the instant industry also provides work for its local labour force and because wages in Brazil are considerably lower than in the United Kingdom, Brazil may be able to remain competitive. And even if Brazil loses out on the world market in green beans, the effort to retain its customers for instant may in the long run prove worth while.

As if the high price of the commodity, freights, insurance, warehousing costs and the increase of other overheads were not enough, a few other difficulties have arisen since the United Kingdom joined the EEC.

Roasters depend on a number of sources of supply in order to maintain their blends. Brands live on quality, that is on specific aromas and colours, not to mention the fact that a coffee drinker, if he is really addicted to the beverage, will immediately detect a

change in his favourite blend.

A good cup of coffee is almost always a successful blend of African Robusta and Central American coffees. Few people in the United Kingdom drink pure African or pure Brazilian, even if it is the best Arabica or Santos coffee. Even the high quality Colombian milds taste better when blended in small proportion with Ivory Coast Robustas.

Before the United Kingdom joined the EEC coffee imports were at a tariff. Under the Lomé convention with the associated states and in particular with African, Pacific and Caribbean associates, coffee from these countries remains at the nil tariff, but imports from Central and South America or other coffee growing areas are hit by a Community tariff barrier. In the transition stage, the United Kingdom is forced to levy an import duty this year of 4.5 per cent and in 1977, when import tariffs are aligned to those of the Community, it will be 7 per cent, which is already being levied by the founder members of the EEC.

This amounts to net discrimination against western hemisphere coffees and gives the United Kingdom roaster new troubles as he is forced either to absorb the higher cost of South American and Central to keep his sales price constant or pass it on to the consumer, who is already paying more for his favourite blend.

And there are more difficulties. The East African nations put an export tax of 1.5 per cent on coffee shipped to the European Community which now offers them no tariffs. The Ivory Coast, on the other hand, while enjoying the same Community nil tariffs, has not applied this export tax.

In addition, the east African exporters are slow in providing the documentation which is needed in the United Kingdom to claim exemption from import duty. This results in a long dispute with customs, loss of time and money, and a spate of restriction claims. To make matters worse, direct talks with the Africans are impossible; every intervention or objection has to be handled through the EEC Commission in Brussels which means trying to untangle countless knots of international red tape.

Leonard Kirschen

## Complications added to make new agreement more flexible

reason for the second International Coffee Agreement (ICA) was the rigidity of its export control mechanisms and its failure to ensure a steady supply and

from 63 coffee and consuming are now assembled to try to work out A. The slogan, but in the lobbies at two years, is

are expected to see to four weeks a little longer, ill show if flexible concept applicable to producers and

ICA, negotiated work with the out without the of the United 1 two simple but ives for success, o end the glut depressed world s and ensure that rs, all developing in coffee earnings ning and develop- ed to put some their coffee indus-

tries and get the fair returns to which they seemed entitled.

The second was that consumers, and the United States first among them, had come to the conclusion that direct aid, through higher prices, could be seen opening outlay by about 30 per cent in less than six months. The trade, both importers and roasters, is also waiting to find out the levels at which producers and consumers in the International Coffee

Organization (ICO) are going to set the price ranges of the next International Coffee Agreement (ICA), which comes up for negotiation this month.

The difficulty in establishing whether consumer resistance has set in or not is illustrated by this contradiction: while prices have been rising in the wholesale market, supermarket shelves remain fully stocked. The reason for this is that the big chains, fearing still higher prices, are stocking up and cashing in on the discounts offered by wholesalers to bulk buyers. The supermarket still considers coffee a loss-leader and helped by the discount sells his jars or tins of coffee at almost cost price. A 4oz jar of instant coffee sold in supermarkets at 49p to 51p is sold in small shops at about 56p to 58p which is about the true price.

However, high prices are still the main danger to the trade. Coffee futures, and London deals mainly in African Robustas, rose in mid-October from £32.75 a tonne to £74.95. Uganda Robusta 10, to single out one of the types mainly used in blending, went from 47 cents to 72.5 cents a lb. Arabica Futures on the London mar-

ket rose from about 46 cents a lb in June to 92.20 cents a lb. Trade discounts, of course, mean much lower prices than those on the terminal market, but they are still high.

There are indications that prices could rise further and rise steeply. The Brazilian shortage will hit markets next year and unless nobody will be able to judge what amount of coffee will be available from other sources and at what price.

Even if importers and roasters continue to hesitate, the normal day to day buying for current requirements is sure to push prices up. And as prices go up because of the shortage, the exporters will argue, and rightly so, that inflation in the past 12 years has diminished the purchasing power of their foreign currency earnings to such an extent that, in real terms, the current market price of coffee is no higher than it was in 1963. The housewife, if she had the time and patience to calculate herself, would find that, in comparison with coffee, the price of sugar, cocoa or meat and fowl has gone up even more.

Of the two million bags of

coffee consumed every year in the United Kingdom about 600,000 are in instant coffees or slightly below a third of the total consumption. And it is noteworthy to establish that about 50 per cent of instant comes from Brazil. Whether Brazil can maintain that effort is open to question. But since the instant industry also provides work for its local labour force and because wages in Brazil are considerably lower than in the United Kingdom, Brazil may be able to remain competitive. And even if Brazil loses out on the world market in green beans, the effort to retain its customers for instant may in the long run prove worth while.

As if the high price of the commodity, freights, insurance, warehousing costs and the increase of other overheads were not enough, a few other difficulties have arisen since the United Kingdom joined the EEC.

Roasters depend on a number of sources of supply in order to maintain their blends. Brands live on quality, that is on specific aromas and colours, not to mention the fact that a coffee drinker, if he is really addicted to the beverage, will immediately detect a

change in his favourite blend.

A good cup of coffee is almost always a successful blend of African Robusta and Central American coffees. Few people in the United Kingdom drink pure African or pure Brazilian, even if it is the best Arabica or Santos coffee. Even the high quality Colombian milds taste better when blended in small proportion with Ivory Coast Robustas.

Before the United Kingdom joined the EEC coffee imports were at a tariff. Under the Lomé convention with the associated states and in particular with African, Pacific and Caribbean associates, coffee from these countries remains at the nil tariff, but imports from Central and South America or other coffee growing areas are hit by a Community tariff barrier. In the transition stage, the United Kingdom is forced to levy an import duty this year of 4.5 per cent and in 1977, when import tariffs are aligned to those of the Community, it will be 7 per cent, which is already being levied by the founder members of the EEC.

This amounts to net discrimination against western hemisphere coffees and gives the United Kingdom roaster new troubles as he is forced either to absorb the higher cost of South American and Central to keep his sales price constant or pass it on to the consumer, who is already paying more for his favourite blend.

And there are more difficulties. The East African nations put an export tax of 1.5 per cent on coffee shipped to the European Community which now offers them no tariffs. The Ivory Coast, on the other hand, while enjoying the same Community nil tariffs, has not applied this export tax.

In addition, the east African exporters are slow in providing the documentation which is needed in the United Kingdom to claim exemption from import duty. This results in a long dispute with customs, loss of time and money, and a spate of restriction claims. To make matters worse, direct talks with the Africans are impossible; every intervention or objection has to be handled through the EEC Commission in Brussels which means trying to untangle countless knots of international red tape.

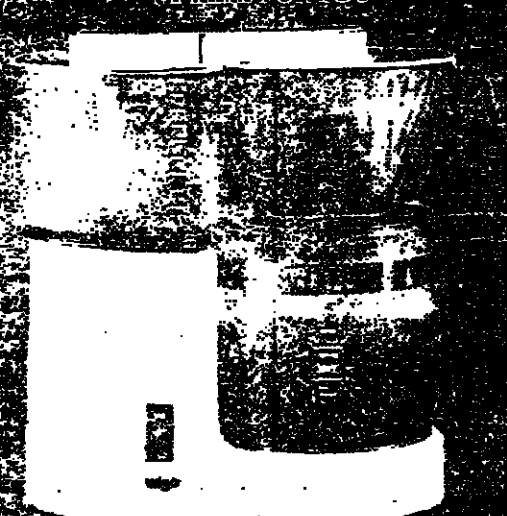
The year 1974 is to be remembered because it proved without doubt that final considerations in negotiating any commodity agreement must always be ruled by world availability of the commodity, which means supply and demand. A heavy frost not only wiped out 90 per cent of the Parana crop in Brazil last July but destroyed the bulk of coffee trees in the area. Until Parana, one of Brazil's largest coffee-producing areas, comes back to normal there will be a coffee shortage. It could end only by 1979. Until then prices will remain high.

So for the first time the producers will be negotiating from positions of strength, and the consumers will acknowledge the shortage while fighting for better terms. But because the lessons of the past have been learnt it looks likely that a new agreement will try to avoid the rigidity which broke the back of the last.

L.K.

## WIGO SUPERB COFFEE EVERY TIME

IF YOU'RE A COFFEE CONNOISSEUR WHEN IT COMES TO FILTER COFFEE THERE'S REALLY ONLY ONE RANGE OF FILTER COFFEE MAKERS FOR YOU



Available from: Coffee houses and good Department stores or direct from UK subsidiary:

**wigo**

WIGO is represented worldwide



### A fitting finale to the perfect meal

To complete the meal which you took such trouble to prepare, offer coffee that everyone will like and that all can take. H-A-G is the coffee that is world famous for its unique flavour. Make it as only you know how from freshly ground beans for absolute perfection.

H-A-G is decaffeinated - mild to the heart, nerves and digestion, and cannot keep you awake at night.

Enjoy good sleep and H-A-G - It's famous for its flavour. From Grocers and Health Food Stores. UK Distributors: A.A. Supply Co. Ltd., 14 Northfield Estate, Bedford Avenue, Woking, Middlesex TW20 1YH. H-A-G

# Now there are 5 coffees good enough to be called Nescafé.\*

Last year, at this time, there were four. But since then we've perfected a method of freeze-drying decaffeinated coffee, which means that this year's perfect hotness will be a bit more so. She'll be able to offer her dinner guests a choice of Gold Blend\* or Gold Blend Decaffeinated, both freeze-

dried to capture the flavour of the very best ground coffee.

Freeze-dried Blend 37\* continues to set the standard for people who are devoted to the strong, dark coffees of the continent. And for those who prefer mildness with true coffee flavour, there's our gently roasted Fine Blend.\*

The flagship is, of course, Nescafé\*. It's been the most popular instant coffee in the world for so long that, when most people want a 'Lovely Cup' of coffee they just say 'Nescafé'.



**Nescafé. The Coffeemakers.**

\*Nescafé, Gold Blend, Gold Blend Decaffeinated and Blend 37 are registered trade marks to designate Nestlé's instant coffees.



**Winter Sun Break**  
**from £70!**  
**plus Air Flights**  
**Winter Sun Break in Tunisia**  
**our operators or the Tunisian**  
**Embassy, London, W.1. 01-493 7532**  
**Ellerman Sunlight Holidays**  
**57/61 Mortimer St.,**  
**London W1M 7TD**  
**01-257 5401**  
**Kypros Travel & Tours Ltd**

**Euston Centre.**  
39-51, Hammersmith Road,  
London, NW3.  
01-587 0101.

**Lambeth Travel.**  
255 Old Brompton Road,  
London, SW5.  
01-873 4411.

**Singh Bahadurs Ltd.**  
Singh House, 1713 King  
Street, Luton, Beds.  
0582 412157.

**- FOR SALE AND WANTED**

**DOCKSIDE  
WINE SALE  
AMAZING CLEARANCE**

**OFFERS**

3,000 CASES MUST GO !!  
Calvet Vieux Bordeaux at £11 ea  
(Mature, elegant, dry Claret)  
Calvet Cotes du Rhone.  
Villages 1971 - £12 case (12 Bo)  
A big full smooth red wine!  
Calvet Volnay 1971 at £15 ea  
(Superb, rich, fragrant, red-  
Burgundy)  
(V.A.T. is already included)  
**BRING YOUR CAR -**  
Plenty of free parking

**CASH AND COLLECT**  
between 10 a.m. and 6 p.m.  
Mon. to Sat.  
Free tasting facilities available  
**THE GREAT WAPPING WINE**  
**COMPANY**  
60 Wapping High Street, E.  
Phone: 01-488 3988/9

---

**CARPETS, FURNITURE  
BEDDING**  
Major Bulk Buys at Gre

**Savings**  
One million pounds in stock  
immediate delivery or cash on  
order. Carpets, fashions, ex-  
hibition, from 1000 per sq. yd. 1  
top quality Axminster, Wiltons  
Etc. etc. (sitting-measuring de-  
vice). Vast stocks branded be-  
dressing and furniture, amazing  
savings, 6-day trading, 1st  
night Fridays (Ealing an  
Newmarket).

**Sapphire Carpet and  
Furniture Warehouses.**  
16 Uxbridge Rd., Ealing, W.

**OCELOT COAT**

**WANTED**  
Immigration Tub for W

(Similar to a Hudson  
with 15 hat working capacity  
as near complete as possible)

JUL REINHARTZ,  
DS106 ROETGEN,  
AACHEN.  
POSTBOX 33,  
WEST GERMANY.

---

**LUXURY BATHROOM  
SUITES**

We offer large discounts on our wide range of top brand name suitcases, trunks, vanity cases, 1-10 colours, including corner baths in Black, Peach, Penicillin and new soap in immediate delivery. Come and choose your suitcases.

**C. P. HART & SONS LTD.**  
4, 6 London Rd., N. 1, N. 1  
Terrace, Haverhill, Rd. S.E.  
Tel. 01-428 5865.

---

**SALE OF THE CENTURY!**

Set of six drawings "Re-  
me Simpson" by CEN  
ALDN, signed and dated.  
An 19th Century bro-  
clock by EDWARDS of Sho-  
ditch in perfect condition.

TELEPHONE  
Street (04534) 2815

---

BEAUJOLAIS NOUVEAU. The  
joint sale by most of La-  
sappes at the Abbeville

**CURTAINS FOR YOU.—**  
brought to your home in  
Curtains & Sakers. All  
export; made and tiled.  
Furnishings Services. W  
01-304 0448 and 0449.

**FOR SALE, long white Mink**  
sport cut, with pockets. a  
12, in perfect condition. \$1000.  
at 1200, 01-730 2193.

**FLOWERS, fresh cut.**  
Daisies. Two weeks  
long. 1200, 01-730 2193.

**BOWLER, KAFIR WAR**  
1000. Album wanted  
1200, 01-730 2193.

**PAINTINGS, OILS** wanted  
African artists. Box 1204

**BOOKS WANTED** on  
Voyages & Maritime in  
Africa, Brazil, the  
CLOCK, pocket watches,  
biblics, objects d'art first  
valued. Write in reg.  
Box 1339 S. 100 times.  
**EDWARD BURRA**, 100  
paintings. ... Recalling  
The Burning Torch  
estimated in recent years  
similarity in late. View  
\$1,000 each. -Villiers.  
(1922-23) 279.

**SINATRA** 2 front stalls  
10th. -Tel. 222 1800  
**ORIENTAL RUGS** and

11 Langdon St. off E  
Chelsea, S.W. 10. 01-2  
YORK PAVING Mfgs. CO  
—SEWER, CHIMNEY  
FOURSEATER — since 1850  
sup-b'g constn. in 1930  
Columbia Pottery Div. Co.  
SINCLAIR Performance  
availabl. 1cl. day  
"Sue"  
KING-SIZE 350. cat. and  
complete with all neces-  
sary ends and trimm-  
ings o.n.o. NAMING  
ORIENTAL Rugs. cat. of  
China, Persia, Afghan-  
istan, India, Tibet, etc.

**OLD YORK FLACSTONES**  
H. & B. FR. L. Stock 4  
**SINATRA**—1 ticket, available Sun., Nov. 1  
**BEFORE YOU BUY** a  
take other cities at  
64 New Bond Street  
W.I. and make sure  
the exhibitor that sells  
or phone Mr. Wagner  
1711.

**SUITS**  
Woolen  
Morning Suits  
Black Jackets  
2 Suits  
Trowsers  
Surplus to Hire  
Dept.  
For Sale from 4250  
**LIPMAN'S**

**HIRE DEPT.**  
37 Oxford Street  
C-1  
01-457-5711

Continued on page 10

Printed and Published for the Proprietor by  
at New Printing House, No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827







## HOME NEWS

## Government views on Convention report to be known next year

From Stewart Tisdall  
Belfast

The Government's views on the report of the Ulster Convention will not be made known until early next year. That was made clear yesterday by Mr. Rev Ian Paisley and five other leaders of the United Ulster Unionist Coalition.

Mr. Rees, Secretary of State for Northern Ireland, intends to make a statement in the Commons and meanwhile see the Ulster political parties to clear up points in the report for presentation to the Cabinet. Leaders of the "loyalist" coalition told Mr. Rees yesterday that control of security must pass to any elected Northern Ireland parliament but the Northern Ireland Police Federation is determined that that must not happen.

The federation's stand has clearly dismayed the loyalist camp. The issue of control arose last week when Mr. Rees asked about security matters in the Convention's report. He replied that the Army would never be controlled by a resurrected Stormont and he believed that the RUC did not want that either. Mr. Rees said later that he was talking in the short term.

But he was supported first of all by Mr. Donald Milliken, chairman of the federation, and then yesterday by Mr. David Bennett, the federation's secretary, who added that control of the RUC should remain with Westminster.

Mr. Bennett said: "The

political scene here has been very unstable, and as far as we can see it will continue to be so for some time." The federation did not wish to see the RUC once again falling into the trap of being regarded as the police force of one section of the community.

The federation's comments were bitterly criticized by the coalition. Mr. Paisley said after the coalition leaders had met Mr. Rees yesterday: "We put it to him very firmly that law and order must be devolved to a new parliament. The police must be answerable. He said that the control of security within an Ulster legislature was supported by all parties."

He said the question of control of the Army had been misinterpreted. It was intended that the Army should again become an aid to the civil power. Then it could be phased out to reinforce proper policing. Reserves inspired: A part-time policeman was badly hurt yesterday when a car blew up in Dungannon, Co. Tyrone, last night (the Press Association reports). He left work to go home and his car exploded as he drove off. His condition was stated to be very serious.

The man, a reserve constable, worked at a hardware shop near where his car was parked. The number of terrorists appearing before courts in Northern Ireland each week is the figure for last year, Mr. Rees was told yesterday during his regular security review at Stormont Castle.

## IRA feud led to more arms captures

From a Staff Reporter  
Belfast

The Army yesterday showed off some of the 57 weapons picked up in operations during the recent feud between the Provisional IRA and the official wing of the IRA. One result of the feud, in which 11 people died, was that many more people were carrying arms.

In one afternoon the Army found 11 weapons in the market area of Belfast and a child on one house produced three weapons laid out on a bed ready for use.

Many of the guns on display were pistols but there were four Armalite rifles and several Thompson machine guns.

The Army estimate that they captured 20 weapons from the Provisionals and six from the official IRA. The rest were found in gardens or discarded before the Army arrived.

Twenty-four people have been charged with offences connected with the feud.

## Class struggle 'only way to end' Ulster violence

A class-based struggle by workers in Northern Ireland was the only way to end the conflict and violence, the annual congress of the Communist Party of Great Britain was told in London yesterday.

Kevin Brennan, an executive committee member, said notions of "Protestant ascendancy" had left Protestant workers dominated by "loyalist" ideas and festered by chains of sectarianism, which he said would be destroyed by the development of the Labour movement and had set worker against worker.

The congress was considering an executive committee resolution backing a call by the TUC for a Bill of Rights for Northern Ireland, which would repeal laws and outlaw religious political and other discrimination. The resolution also urged the withdrawal of British troops to barracks until they could be drawn completely.

Twenty-four people have been charged with offences connected with the feud.

## Six men and woman jailed for drug offences

From Our Correspondent  
Reading

A branch of a drug-smuggling network was broken yesterday with the jailing at Reading Crown Court of six men and a woman.

Mr. John Newey, QC, for the prosecution, said the source of supply was a village in Morocco called Kenama, where a cannabis grown quite openly. A group of young people living in a large house on the outskirts of Reading made trips to Morocco in vans with hidden compartments for carrying cannabis.

The venture began to go wrong when Jeremy Wing, one of the group, was arrested in Spain, where he is still in prison. He was stopped at the Spanish port of Algeciras and the police found 40 lb of cannabis resin and half a litre of cannabis oil concealed in his van.

Later, drug squad officers began to investigate the group, and Det. Constable Mervyn Pritchard, of Reading, arrested a group of young people at a house at Woodley, near Reading, where the police seized cannabis worth nearly £5,000 wholesale. Shortly afterwards all the defendants were arrested.

Last week Michael Marchington, aged 30, a British-born Australian, of Randolph Avenue, Maid Vale, London, pleaded guilty to conspiracy to supply cannabis and possessing the drug with intent to supply, jailing him for a total of four years.

Mr. Marchington, aged 30, a British-born Australian, of Randolph Avenue, Maid Vale, London, pleaded guilty to conspiracy to supply cannabis and possessing the drug with intent to supply, jailing him for a total of four years.

Mr. Marchington, aged 30, a British-born Australian, of Randolph Avenue, Maid Vale, London, pleaded guilty to conspiracy to supply cannabis and possessing the drug with intent to supply, jailing him for a total of four years.

Mr. Marchington, aged 30, a British-born Australian, of Randolph Avenue, Maid Vale, London, pleaded guilty to conspiracy to supply cannabis and possessing the drug with intent to supply, jailing him for a total of four years.

Mr. Marchington, aged 30, a British-born Australian, of Randolph Avenue, Maid Vale, London, pleaded guilty to conspiracy to supply cannabis and possessing the drug with intent to supply, jailing him for a total of four years.

Mr. Marchington, aged 30, a British-born Australian, of Randolph Avenue, Maid Vale, London, pleaded guilty to conspiracy to supply cannabis and possessing the drug with intent to supply, jailing him for a total of four years.

Mr. Marchington, aged 30, a British-born Australian, of Randolph Avenue, Maid Vale, London, pleaded guilty to conspiracy to supply cannabis and possessing the drug with intent to supply, jailing him for a total of four years.

Mr. Marchington, aged 30, a British-born Australian, of Randolph Avenue, Maid Vale, London, pleaded guilty to conspiracy to supply cannabis and possessing the drug with intent to supply, jailing him for a total of four years.

Mr. Marchington, aged 30, a British-born Australian, of Randolph Avenue, Maid Vale, London, pleaded guilty to conspiracy to supply cannabis and possessing the drug with intent to supply, jailing him for a total of four years.

Mr. Marchington, aged 30, a British-born Australian, of Randolph Avenue, Maid Vale, London, pleaded guilty to conspiracy to supply cannabis and possessing the drug with intent to supply, jailing him for a total of four years.

Mr. Marchington, aged 30, a British-born Australian, of Randolph Avenue, Maid Vale, London, pleaded guilty to conspiracy to supply cannabis and possessing the drug with intent to supply, jailing him for a total of four years.

Mr. Marchington, aged 30, a British-born Australian, of Randolph Avenue, Maid Vale, London, pleaded guilty to conspiracy to supply cannabis and possessing the drug with intent to supply, jailing him for a total of four years.

Mr. Marchington, aged 30, a British-born Australian, of Randolph Avenue, Maid Vale, London, pleaded guilty to conspiracy to supply cannabis and possessing the drug with intent to supply, jailing him for a total of four years.

Mr. Marchington, aged 30, a British-born Australian, of Randolph Avenue, Maid Vale, London, pleaded guilty to conspiracy to supply cannabis and possessing the drug with intent to supply, jailing him for a total of four years.

Mr. Marchington, aged 30, a British-born Australian, of Randolph Avenue, Maid Vale, London, pleaded guilty to conspiracy to supply cannabis and possessing the drug with intent to supply, jailing him for a total of four years.

Mr. Marchington, aged 30, a British-born Australian, of Randolph Avenue, Maid Vale, London, pleaded guilty to conspiracy to supply cannabis and possessing the drug with intent to supply, jailing him for a total of four years.

## Man killed by tree as gales sweep country

A motor cyclist was killed yesterday when a tree fell on him at Rochford, Essex, as gales swept the country. He was Mr. Michael Hart, aged 26, from Paglesham, Essex.

Coastguards on the east coast were on high alert yesterday as gales swept the country. Heavy seas and winds of almost 80 mph were reported in the drilling rig areas off the north Norfolk coast and gusts of 93 mph were recorded at Whitby.

The unmanned lighthouse, Godfrey, on an island in St. Ives Bay, Cornwall, has blacked out for what is believed to be the first time since it was built 116 years ago. It failed on Sunday night after a fierce gale. Warnings were broadcast to shipping, Godfrey is the lighthouse in Virginia's Woolf's novel *To the Lighthouse*.

A man was blown off his moped at Hull and broke a leg; trees blocked roads in North Humberside; two dinghies from Hornsea were blown out to sea and lost, and a gas rig derrick barge which broke from its moorings off Norfolk was towed into the Humber for shelter.

The Belgian trawler Damar, which captained 30 miles off Flamborough Head on Sunday, was lost, believed sunk, yesterday.

Two crewmen were taken off Mi Amigo, the Radio Caroline ship in the Thames estuary, by Margate lifeboat early yesterday after the vessel broke her moorings. The master and two other men were still on board last night and coastguards said the vessel was held by a small anchor and in no immediate danger.

There was a walkout at two factories in Wolverhampton when workers decided it was too cold at Universal Engineering and at Britool. They plan to return today.

At the European terminal at Heathrow airport, London, workers walked out because a chilling north-east wind whistled through the building.

## Probation for mother 'too young to have child'

A young mother said by Mr. Justice Donaldson at the Central Criminal Court yesterday was to be too young to have a child walked free from the court after admitting that she had killed her daughter, aged two.

Mrs. Barbara Estyn Allen, aged 20, pleaded guilty to the manslaughter of her daughter, Nicola, and was placed on probation for three years. Her plea of not guilty to murder was accepted.

The judge told her: "I accept that you had no intention of harming this child. It was apparent to everybody that you were very fond of her indeed but it seems that you were, and probably still are, a child yourself."

"You have not matured or grown up, except in years. You were too young to have a child

## 'The Times' criticized over report on smoking

By a Staff Reporter  
Action on Smoking and Health (ASH), the charity campaigning against smoking, issued a statement last night criticizing *The Times* for giving prominence yesterday to a report of a lecture by Dr. Carl Salzman, who said that there is no proof that smoking causes heart disease.

Dr. Salzman, aged 67, a senior research associate at the Harvard University School of Public Health, returned to the United States on Sunday after a two-week European tour lecturing on the subject to medical audiences. Ash stated:

"Action on Smoking and Health is most concerned that *The Times* has once more chosen to give prominence to views which are at variance with those of almost every other worker who has made

a serious study of smoking and health, this time on the relationship between coronary heart disease and cigarette smoking. Dr. Salzman, who is secretary of Ash, said: 'Apart from the Royal College of Physicians, independent scientific committees in at least six countries, as well as international expert committees, have concluded that there is a close relationship between CHD [coronary heart disease] and cigarette smoking which is almost certainly causal. We are the medical profession to wait for the resolution of every inconsistency found in the mass of scientific data pointing to a strong cause and effect relationship between smoking and heart disease, it would rightly be condemned. Dr. Salzman's views are not new, and have already been stated and supported in *The Lancet*. They have received no support by the medical profession in this country. He picks out small pieces of evidence to support his view.

He quotes, for example, results in British doctors up to the age of 64, and includes many doctors who reduced their smoking much less than the younger ones. The picture is clear, however, from those under 65, in whom a marked reduction in coronary deaths occurred in the interval between 55 to 57 and 61 to 65, in contrast to the general population. The incidence of coronary heart disease is known to be low in countries such as Yugoslavia, Greece and Puerto Rico, where there are large rural populations, where different dietary and other factors apply, and where smoking is not thought to be an additional factor. This, however, is not the case in most Western countries. A particular association has been noted between sudden death and cigarette smoking in the majority of studies, and it is rare to find a patient with coronary disease under the age of 45 who is a non-smoker. There is good evidence that car-

bon monoxide and nicotine may be factors in the production of coronary disease. Nicotine increases the work of the heart while CO reduces its oxygen supply. Nicotine also increases the tendency to thrombosis, and animal experiments have shown that CO leads to deposition of cholesterol in arterial walls. It is hard enough for many smokers to stop, and to persuade children not to start smoking. The prominence given again by *The Times* to views which are not new, and which have failed to gain support in the medical and scientific communities, can only be considered as misleading and irresponsible. It is extraordinary that *The Times* should have attached so much emphasis to views dismissed by its own Medical Correspondent. Such an approach may be appropriate when dealing with trivial issues, but on a matter of life and death it is a major error of editorial judgment."

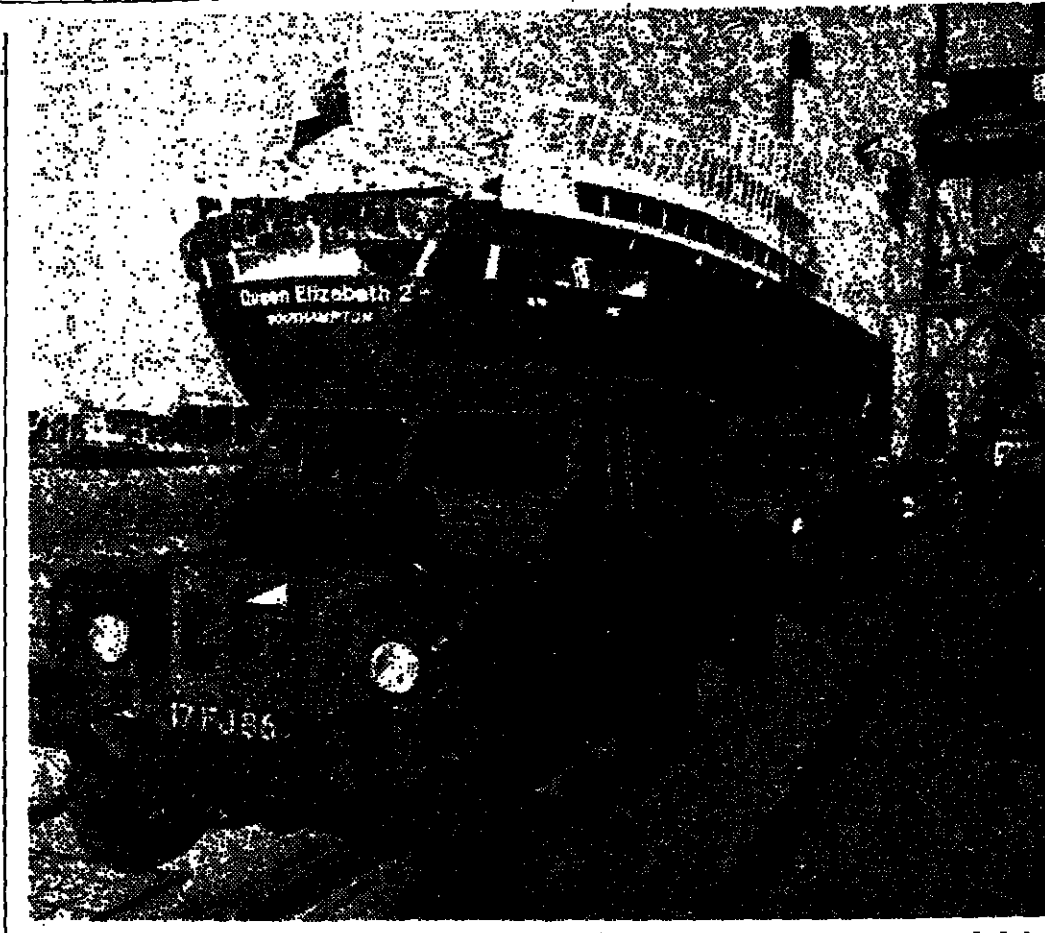
## Journalists' union criticizes the Lords

By Our Labour Staff  
Members of the House of Lords were criticized by the National Union of Journalists executive yesterday for "unrelenting determination" to "penalize the NUJ and place it in a special category from other unions, despite the view of the House of Commons."

An expressed distaste for the "unrelenting determination" of the Lords, led by Lord Goodman, to "penalize the NUJ and place it in a special category from other unions, despite the view of the House of Commons."

A recent union ballot had reaffirmed long-standing union attitudes on membership, editors and press freedom, a statement said. It expressed "profound disgust that, despite this clear demonstration of purpose, attacks on the union's professional integrity have continued and mounted with the progress of Mr. Poot's Trade Union Bill through the House of Lords."

Lord Goodman said last night: "We have no resentment or hostility towards the NUJ, and they should know that."



Army vehicles near the QE2 yesterday at Southampton, where soldiers are helping police officers searching the liner.

## Army help in search of QE2

Continued from page 1

arms shipments from Irish sympathizers in New York. The QE2 is ending her annual three-week rest after 31 crossings to and from New York.

Cunard pledged yesterday that the liner would sail on time at noon on Thursday for a five-month series of Caribbean cruises even if the searchers have to stay on board to complete the operation.

So far a complete search has been made of only four of the 13 decks. From accounts given by various members of the crew yesterday, not a single item has been left unsearched. Kevin Dawson, aged 17, a crew hand,

said panels were being torn off cabin walls, record players opened and beds upturned. Other members of the crew confirmed that there were no Irishmen on board, but some said that most seemed to have joined the ship to get away from Ireland. Although there was talk about the IRA and the Irish situation, none of it was sympathetic to the IRA.

In London yesterday, a thorough search was made of the P & O car ferry *Penarth* shortly after she docked at Southampton on Friday night from San Sebastian. She left Southampton yesterday for Palermo, where she is due for a rest.

Mr. Richard Mitchell, Labour MP for Southampton, Itchen, said last night: "As this is the second time explosives have been found in the area I am afraid there might well be some sort of backlash. There have been a number of signs of an apparently already been signs of this; 95 per cent of the Irish

in this area are perfectly decent citizens and it would be a great pity if they suffered because of one or two people."

Mr. Bryan Gould, Labour MP for Southampton, Test, said that all Irish citizens should realize that they might be questioned, or even detained, but that did not mean they should think they were "long-term enemies of the British."

Everyone should feel grateful that the explosives had been found, because that could "considerably weaken terrorist operations in Britain."

The QE2 has been involved in several terrorist hoaxes and incidents since she came into service in 1969. In 1971 six suitcases of illegal weapons were landed at Cork after she had sailed from New York.

In May, 1972, four army bomb disposal experts were parachuted on to the liner in mid-Atlantic after bombs had been said to have been planted by an extortionist demanding \$350,000. No bombs were found.

## Four men cleared of robbery in 1969

Clapping and cheers broke out in the public gallery at Central Criminal Court, London yesterday when four men alleged by Maurice O'Mahony, a police informer, to have committed a robbery with him 10 years ago, were found guilty by the jury.

All four denied being members of a gang that robbed a wages office of St. Mary's Hospital, Paddington, of £2,113 January 9, 1969. Mr. O'Mahony had confessed to taking part in the crime.

The four were John Ann Twomey, aged 27, a labourer, Tavistock Crescent, North Kensington; David Francis Kington, aged 27, a market trader, Water Lane, Brixton; Charles Hilder, aged 27, employed, and Daniel Christopher Redmond, aged 31, of no fixed address.

When the trial opened last month Mr. Timothy Cas for the prosecution, said that Mr. O'Mahony was serving 10 years for his part in a secure robbery in which the gun was hit on the head with a L. sledgehammer.

and a sledgehammer. Mr. O'Mahony was in the van and had given evidence for a Crown alleging that the four men, found not guilty yesterday, took part in the Paddington robbery with him.

Mr. Hilder elected not to give evidence and was summing up the jury the judge said that evidence you have heard is answered by him in any way. Mr. Fraser also did not give evidence but made a statement from the dock saying that he did not take part in the robbery although he could not prove that Mr. Twomey and Mr. Redmond both denied having any part in the robbery.

## Four years' jail for rape

Royston Hale, aged 23, a dealer, who was said to be driven a teenage girl to a park and area and raped her, was jailed at the South Devon Assizes yesterday for four years. Little later, Mr. Hale, of Low Ham Road, Bristol, was sentenced to an extra 18 months imprisonment when admitted an unrelated charge of burglary.

Phillip Maggs, aged 23, labourer, of Albany Road, Bristol, was acquitted of aiding and abetting the rape. Mr. Hale and Mr. Maggs both admitted charges of burglary at a garage at Kingswood, Bristol, and were each sentenced to 18 months imprisonment.

## Mr Pym not to stand

Mr. Francis Pym, MP for Cambridge and a former chief whip of the Conservative Party, announced last night that he will not be challenging Edward du Cane for the chairmanship of the Conservative backbenchers' 1972 Committee (our Political Staff writes).

"Various people approach me and I said I would consider it. I have been thinking about this for a few days and I have decided that I will not of myself as a candidate," he said.

## 'Express' talks adjourn

Talks aimed at settling maintenance engineers' dispute at the *Daily Express* were adjourned for two days yesterday. The dispute led to London papers excepting the *Express* being published last Friday.

## Hotel reception for guests are criticized by AA

The indifferent and sometimes almost hostile reception guests get at Britain's hotels was criticized by the Automobile Association yesterday in its new guide to Hotels and Restaurants in 1976.

"You do not get a warm welcome in most of Britain's hotels," it says. "Our inspectors feel welcome overall could be greatly improved."

"Hotels do not seem to realize that first impressions are what sticks in the mind, and a poor welcome and reception can be very indicative of what the service is like for the rest of the stay."

"Hotels are very negligent about their receptions. How many times have you come to a reception desk and there is no one there, or the receptionists are chatting and finish their conversation before turning reluctantly to the guest? Or there is no porter to take the cases and show you to the room. If it is like that when you first arrive, it is likely that it will be like that for the rest of the stay."

But one hotel did deserve the AA's new Topliner award for the warmest welcome: the Torak Hotel, Torquay. The AA says guests there are met and assisted from their cars and everything possible is done to settle them, to make them feel at home and to care for their comfort and convenience throughout their stay."

The guide covers 3,958 hotels and 1,090 restaurants.

## Printing unions to hold talks on newspapers

A committee of printing industry union leaders agreed yesterday on the main points of full talks to take place among themselves on difficulties facing the newspaper industry.

The William Keyes, general secretary of the Society of Graphical and Allied Trades (Sogat), said after a three-hour meeting: "Now these will be examined in depth by an expected meeting of all unions in the industry next Monday."

Present yesterday with Sogat were the National Society of Operative Printers, Graphical and Media Personnel, the Society of Lithographic Artists, Designers, Engravers and Process Workers, the National Union of Journalists, and the electricians' union.

An earlier meeting had agreed on the need for a joint approach to the Newspaper Publishers Association about the industry's problems, particularly the technology. A meeting with the NPA has been arranged for December 5.

Missing from yesterday's talks were the Amalgamated Union of Engineering Workers, which was having its own talks with the Daily Express management last week's dispute over the craft union, the National Graphical Association.

The stumbling block to the NGA's attendance next Monday is its requirement for a guarantee from the Newspaper Publishers Association that there will be no compulsory redundancies.

Mr. John Bonfield, its general secretary, said: "Until we get that I do not think we shall be cooperating with anybody."

## Walkers' doubts on pelican street crossings

The light-controlled pelican street crossings are confusing and dangerous and should be radically changed, according to Help the Aged. A survey found that many people felt unsafe on the crossings and that elderly pedestrians were too frightened to use them.

Help the Aged says pedestrians are not allowed enough time to cross, that motorists frequently start moving while people are still crossing, and that drivers are not given enough warning to stop.

The charity is taking its findings to the Department of the Environment, which is taking the crossings under review. The Department declares that the crossings have reduced accidents.

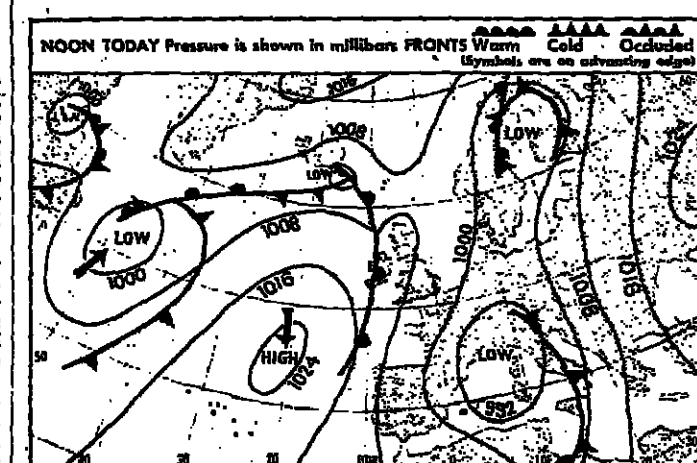
Agricultural workers in England and Wales yesterday accepted a 56 pay offer, bringing the minimum wage to £36.50. It follows a similar award to Scotland's 40,000 farm workers.

The agreement gives the workers their biggest increase in actual money and is expected to add nearly £100m to the farmer's annual wage bill. Over-time rates are unaltered.

## Ponies to be sold

A group of 32 miniature ponies, used in theatrical shows throughout Britain, will be sold because of the death of their owner, Mr. George Cavill, of Bampton, Devon.

## Weather forecast and recordings



Area forecasts: London, SE, E, central S and N. England, East Anglia, E. Midlands: Sunny spells, some showers particularly on coast and hills; severe N gales, decreasing to strong; max temp 6°C (43°F). Midlands, Channel Islands, SW England, Wales: Mostly dry, sunny spells; wind N, fresh or strong, moderating; max temp 7°C (45°F).

NW and NE England, Lake District, Isle of Man, Borders, Edinburgh and Dundee, Aberdeen, SW and NE Scotland, Glasgow, central Highlands, Moray Firth, Orkney and Shetland: Sunny spells, wintry showers particularly on exposed hills and coasts; wind N strong to gale, decreasing slowly; max temp 5°C (41°F). Argyle, NW Scotland, N Ireland: Rather cloudy, occasional rain or drizzle; wind strong to gale, moderating; temp 5°C (41°F).

Outlook for tomorrow: Thursday: Cold with showers SE at first, otherwise rain W, spreading E to most areas becoming milder.

Yesterday: London: Temp: max. 6 at 6 pm, 6°C (43°F); min. 6 at 6 am, 4°C (39°F). Humidity: 64 per cent. Rain: 24h 6 pm. Min. Sun: 24h to 6 pm. Bar. mean sea level: 1,002.5 millibars, rising. 1,000 millibars = 29.53 in.

Overseas selling prices		Overseas selling prices	
Antwerp	£1.10	London	£1.10
Bombay	£1.10	Lyons	£1.10
Buenos Aires	£1.10	Madrid	£1.10
Canton	£1.10	Moscow	£1.10
Calcutta	£1.10	New York	£1.10
Cebu	£1.10	Osaka	£1.10
Colon	£1.10	Paris	£1.10
Hankow	£1.10	Rangoon	£1.10
Harbin	£1.10	Shanghai	£1.10
Hong Kong	£1.10	Singapore	£1.10
Kobe	£1.10	Tokyo	£1.10
Manila	£1.10	Yokohama	£1.10

## Hadrian's Wall extension found on shore of Solway Firth

Continued from page 1

phase, and indicates that the western extension dates to about AD 124.

A second section across the ditches was excavated near the site of Tower 2B, a smaller structure than the mile-fortlet, known since earlier this century and lying on a small area of raised beach. A ditch running seven metres in the line of the tower had undergone several recuttings; it was sealed by a brown silt nearly 30 cm thick, apparently the result of heavy flooding.

A third section cut near Cardurnock, close to the end of the extension on the Wanpook estuary, showed that the free-walled ditch had been reinforced by a palisade of stakes pointing forwards at 70-80° on the outer lip, and that both forward and rear ditches had been recut.

The parallel ditches therefore formed a cordon within which both towers and towers were enclosed. The closest parallel in Britain is in the Cleaven Dykes defending the north-eastern approach to the Flavian legionary fortress of Inchtuthil, in Strathmore, east-

era Scotland, where there is, however, a central bank between ditches 48 metres apart.

Professor Jones considers that the Solway defensive system belongs to the initial phase of the Hadrian's Wall complex, or might antedate it, but that the frequent recutting of the forward ditch indicates the engineering difficulties presented by the unstable ground and sand subsides. The difficulty of maintaining them no doubt explains the abandonment of the defences, he thinks, as the absence of suitable building stone explains the lack of a stone wall, but

the system was successful in its primary role. Behind it grew up a protected and densely settled hinterland of farmsteads on the Solway estuary, of which 154 examples were recorded during 1975, in addition to the 20 already known.

The discovery of the extended defensive system may necessitate some reassessment of the turf wall frontier between Bonness and Carlisle, and will encourage fresh speculation about the nature of the system across the estuary, southwards along the Cumbrian coast towards Beckett and Maryport.